



WINE GRAPES MARKETING BOARD

2020



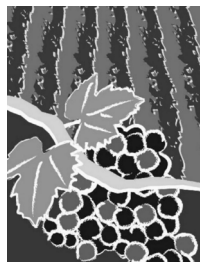
ANNUAL REPORT 2020

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 2020



Riverina
WINE GRAPES
MARKETING BOARD

Wine Grapes Marketing Board

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Facsimile: 02 6962 6103
Email: board@wgmb.net.au
Website: 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 23rd June 2021
Yoogali Club
YOOGALI NSW 2680
Commencing at 7:00pm

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Letter to the Minister

8th March 2021

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 2020 for tabling in the NSW Parliament.

This 87th 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 Executive Officer Report

Welcome to the Wine Grapes Marketing Board's 2020 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 25th November 2020 (held later due to COVID19 restrictions) for your information.

In 2020 the Board introduced its Strategic Operations Plan 2021 - 2025 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 2020 prior to the meeting to approve the Plan and the 2021 budget and the statutory fees and charges to be applied in 2021.

The Strategic Planning and Budget meeting was held immediately following the Annual General Meeting on 25th November 2020.

The 2020 season for growers in the Riverina yielded 302KT (323KT in 2019, 329KT in 2018) of winegrapes were harvested at a regional average purchase price per tonne of \$504 (\$478 in 2019, \$399 in 2018). White winegrapes averaged \$399 (\$385 in 2019) and red winegrapes \$618 (\$586 in 2019) according to *Wine Australia's 2020 National Vintage Report*.

The NSW Government review of the Board operations which began in April 2017 reported to the Board in August 2020. The key finds of the Review are as follows:

- There is a high degree of variation in the Board's performance both between industry functions and within individual functions.
- The Board's performance with regard to some functions is often hindered by industry structural and marketing issues which are generally out of its control.
- A number of the Boards activities undertaken under each of its industry service functions are duplicating other national and/or state and local effort. Despite this, the Board provides additional value to grower members in form of local industry knowledge and expertise.
- Some industry functions are not fit-for-purpose in the current warm grape growing environment and regional commercial climate.

Review Recommendations

1. The Agricultural Industry Services Regulation 2015 be amended to remove the current industry service functions (a), (b), (c), (d), (e), (f), (g), (h) and (i) under division 2 clause 9 of the Regulation, from the Board's charter.

2. The Agricultural Industry Services Regulation 2015 be amended to include new industry service functions designed to better service the current and future needs of the MIA wine grape industry and its growers, as detailed below;
 - a) Promotion of an open, fair and transparent MIA wine grape market.
 - b) Provision and promotion of activities in relation to biosecurity and the facilitation of industry accreditation and best-practice programs.
 - c) The conduct and facilitation of research, development and extension projects and programs specific to warm region and MIA wine grape production.
 - d) The representation of the MIA wine grape industry.
 - e) The provision of educational activities and information in relation to the matters referred to (a) to (d).
3. A further review of the Board occurs in 5 years' time.

The final report went on to state:

These changes have been designed to allow for the Board to extend their operations and service delivery at a local level and facilitate the evolution of the Boards prescribed activities in-line with the ongoing and future requirements of independent warm region wine grape growers.

This Review believes that in general, the Board has delivered substantial benefits to its grower members and believes the contributions of past elected and nominated Board members and staff should be gratefully acknowledged.

Amending the legislation will require the expense of having to poll all members. A poll will be conducted in 2021 which to be valid will require greater than 50% of all eligible members casting a vote and greater than 50% of these persons approving the revised regulation.

The Board would like to thank those growers that attend the public meetings of the organisation and are in regular contact with Board members and staff. If you are a grower and are not aware of what we can do to assist you please call us. The Board is 100% funded by member fees on production and we are here to serve you in viticultural related matters.

Finally, as CEO of the organisation I would like to thank all the Members of the Board and staff that have worked through the COVID19 associated issues for their efforts and support. We have held online meetings and staff have been fortunate that we could continue to attend work each day.

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 2020.

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 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
Website: www.riverinawinegrapes.com.au
The Board office is open 5 days per week 8:30am-5:00pm Monday – Friday

Management & Structure

The Board consists of seven members, five of whom are elected by winegrape growers and two appointed by the 5 elected members of the Board.

Elected members' terms cease 29 November 2021.

Appointed members' terms cease February 2023. In 2020 the two appointed members position came up for reappointment. Kirsten Dal Broi chose to be available for reappointment and Steven Barbon was appointed and commenced duties in February 2020.

Board Members during 2020

- Bruno Brombal (Chairman - Executive)
- Robert Bellato (Deputy Chair - Executive)
- Steven Barbon (appointed)
- Bruno Altin
- Frank Alampi
- Dom Schirripa (appointed)
- Tony Baggio
- Kirsten Dal Broi (finished January 2020)

Meetings of the Board

During the 12 months to 31 December 2019 there were 12 general meetings, 1 extraordinary meeting and 2 public meetings of the Board (held on the same evening).

The Board generally holds its meetings the second Monday of each month subject to members of the Board availability.

Public Meetings held in 2020 were the Annual General Meeting 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.

Meetings are able to be held online now that have allowed members participation.

Member	Meetings attended	Available meetings	%
Bruno Brombal	15	15	100%
Robert Bellato	12	15	80%
Steven Barbon	13	14	93%
Tony Baggio	13	15	87%
Bruno Altin	15	15	100%
Dom Schirripa	15	15	100%
Frank Alampi	12	15	80%
Kirsten Dal Broi	1	1	100%

In November 2019 approval from growers to increase the overall Board sitting fees from \$50,000 plus travel allowance and superannuation up to \$90,000. This was then notified to the Minister.

The Board fees went from: Chairman \$20,000pa, Deputy \$10,000pa and members \$4,000pa to a maximum of Chair \$25,000, Deputy \$15,000 and members \$10,000pa. A policy was developed to pay members a revised base salary of Chair \$20,000, Deputy \$10,000 and members \$5,000 and then they would each receive an extra \$250 per meeting attended for the Board and other duties up to the maximum. Payments include travel allowance and superannuation as per the regulation.

The revised policy was first enacted in February 2020. The following table shows the extra meetings attended by members since its commencement.

February

Bruno Altin – NSWWIA meeting

March

Tony Baggio – National Irrigators Council meeting
 Tony Baggio – NSW Irrigators Council meeting
 Bruno Brombal – Riverina Winemakers Assoc. Meeting

April

Bruno Altin – NSWWIA meeting
 Tony Baggio – Murrumbidgee Irrigation meeting
 Bruno Brombal – Murrumbidgee Irrigation meeting

May

Bruno Brombal – Inland Wine Regions Alliance
 Tony Baggio – NSW Irrigators Council meeting

June

Robert Bellato – Board HACCP group meeting
 Robert Bellato – Board HACCP team training
 Robert Bellato – Board HACCP refresher course
 Tony Baggio – Board HACCP group meeting
 Bruno Brombal – Board HACCP group meeting
 Tony Baggio – National Irrigators Council meeting x 2
 Frank Alampi – Riverina Winemakers Assoc. meeting
 Bruno Altin – NSWWIA Meeting
 Bruno Brombal – Riverina Winemakers Assoc. meeting

August

Bruno Brombal – Inland Regions Alliance meeting
 Tony Baggio – National Irrigators Council meeting

September

Tony Baggio – National Irrigators Council meeting
 Bruno Altin – NSW Wine Industry Association meeting
 Bruno Altin – NSWWIA Chinese issue update
 Bruno Altin – NSWWIA DO position interviews
 Bruno Brombal – Wine Industry Summit meeting
 Frank Alampi – Wine Industry Summit meeting
 Bruno Brombal – NSW DPI Vine Health Field Day
 Frank Alampi – NSW DPI Vine Health Field Day

October

Tony Baggio – NSW Irrigators Council meeting
 Tony Baggio – Grower Liaison Officer meeting
 Frank Alampi – Grower Liaison Officer meeting
 Bruno Brombal – Riverina Winemakers Assoc. meeting
 Frank Alampi – Riverina Winemakers Assoc. meeting
 Bruno Brombal – Wine Industry Code meeting
 Robert Bellato – Wine Industry Code meeting
 Bruno Altin – Wine Industry Code meeting
 Bruno Altin – NSW DPI DO Position Interviews

November

Bruno Brombal – ACCC Discussions on Water Trading
 Tony Baggio – ACCC Discussions on Water Trading
 Bruno Altin – NSW Wine Industry Association meeting
 Bruno Brombal – Inland Wine Regions Alliance meeting
 Tony Baggio – National Irrigators Council meeting

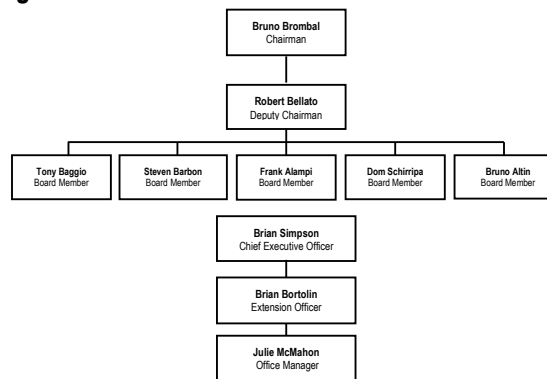
December

Frank Alampi – Grower Liaison Officers meeting
 Bruno Brombal – Inland Wine Regions Alliance meeting

For the above meetings members received a payment of \$250 on top of their base payments (up to the maximum rate per annum), except for the Strategic Planning and Budget meeting which was held at the same venue and date as the Annual General Meeting. Superannuation and travel allowances was paid where applicable.

Members Bruno Brombal, Tony Baggio, Bruno Altin all reached their maximum limits in Board fee payments for 2020 (despite the policy commencing in February).

Organisation Chart 2020



Board Staff

From 1 Jan 2020 - 31 Dec 2020 staff members were:

- *Chief Executive Officer* - Brian Simpson

- Commenced employment June 2000
- *Extension Officer* – Briah 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 2020.

Funds Granted to Non-Government Community Organisations

There were no funds donated in 2020.

Legal Change

There was no legal change to the organisation during 2020.

Economic or Other Factors

The Board enters into agency agreements with grape purchasers and processors to deduct the Board statutory fees and charges from grower payments and forward these to the Board. The agency agreements were well adopted in 2020 with the Board being required to pay 5% (+ GST) of the \$3.90 per tonne to the wineries \$36,981 (\$41,265 - 2019, \$42,929 - 2018).

Management & Activities

A review of the strategic operations of the Board was conducted by the Board during 2020. This was presented to growers in the *WGMB Strategic Operations Plan 2021-2025 and Operating Budget for 2021* publication, which was made available to all growers. The Plan was adopted at a meeting of growers held in November 2020 at which time the rate for the Board's grower fees and charges was set (\$3.90 per tonne fresh weight) no GST applies.

Research & Development

The Board did not undertake any specific research and development in 2020.

Human Resources

During 2020 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 1 accountant 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 Collin Harris, Audit and Risk Services, Wagga Wagga, NSW.

- Authorised Inspections fees \$180 - 2020, (\$0 -2019, \$0 - 2018)

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

A total of five (5) consultants were engaged in 2020 costing a total of \$68,533 (\$7,261 - 2019, \$4,050 - 2018) excluding GST. The costs include:

- Management Resource Plus – HACCP \$ 1,021
- ESRI Australia \$11,400
- Audit and Risk Services \$ 180
- NSW DPI \$55,000
- Marketing Solutions Griffith \$ 932

The NSW DPI expense is directly related to the part funding of a NSW DPI appointed staff member to work in the region as a Development Officer Viticulture based in the Riverina. The Board along with the Riverina Winemakers Assoc. agreed to partially fund this position to free up NSW Government funding for the appointment of a state-based Biosecurity and Sustainability Officer for the industry.

ESRI Australia completed an upgrade of the Board's GIS system for farm mapping. All farm maps are now available free to constituted growers.

Marketing Solutions undertook the creation of a new website for the Board, moving it from www.wgmb.net.au to www.riverinawinegrapes.com.au

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 2020 Financial Year.

A revaluation of the property and land occurred in December 2019 with another revaluation to occur in 2022 for the purposes of financial reporting.

Promotion

In 2020 the Board contributed \$21,591 (\$27,655 in 2019, \$29,610 in 2018) in funding to the following functions and promotional activities:

- Riverina Winemakers Assoc. \$20,000
- Leeton Shire Council (Trails Brochure) \$ 1,091
- Development of online video \$ 500

The Riverina Winemakers Assoc. funding was not expended due to COVID19 restrictions on gatherings and events. These funds paid to them will carry over into the 2021 financial year of the Board.

Sponsorship

In 2020 the Board did not undertake any sponsorships. (2019 - \$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	\$100,166	\$46,388	\$41,846	\$133,920
30-60 days	-	-	-	-
60-90 days	-	-	-	-
90+ days	-	-	-	-
\$ Total	\$00,166	\$46,388	\$41,846	\$133,920
% 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 November 2020.

During 2020 the Board received 29 formal requests for information (46 in 2019, 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.

During 2020 redeveloped website received 642 unique visitors, 74% of these were Australian based.

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 November 2020.

Appointed Auditors

The NSW Audit Office appointed Johnsons MME from Albury as its agent for the 2020 Audit.

Annual Reports

The Board produced 300 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 (\$5.99 + GST in the prior year).

Financial Year of the Board

1st January to 31st December.

Wine Grapes Marketing Board 2019 Annual General Meeting

Minutes of the Meeting held 25th November 2020 commencing at 8:02pm Yoogali Club, Yoogali NSW 2680

Registered Attendance

44 Constituted Growers: Bruno Altin (Board Member), Mario Arcifa, Armando Armanini, Anthony Baggio (Board Member), Steven Barbon (Board Member), Glen Bavaresco, Bob Bellato (Deputy Chair), Eric Berton, Mitch Bianchini, Brian Bortolin (Extension Officer), Bruno Brombal (Chairman), Stephen Cadorin, Louis Cadorin, Nick Ciaverella, Peter Cremasco, Gus Cristofaro, Tony Cristofaro, Robert D'Ambrosio, Kevin De Lucchi, Leo De Paoli, Greg De Paoli, Mario Foscari, Pio Foscari, Frank Galluzzo, Patrick Gullota, Dom Macri, Joe Maugeri, Bruno Mazon, Vince Monteleone, Laurence Pellizer, Dennis Rossetto, Laurence Salvestro, Dom Schirripa (Board Member), Tony Sergi, Sam Singh, Kang Singh, Dhillon Singh, Manjit Singh, Mitchell Strano, John Strano, Steve Torresan, Giulio Toscan, John Vitucci, Dino Zalunardo

Non-Voting attendees: Kathleen Altin, Sergio Altin, Leo Arcifa, Nathan Arcifa, Glenn Armanini, Veronica Armanini, Judy Bianchini, Gloria Brombal, Michael Clark James Cremasco, Bruno De Lucchi, Brendan De Paoli, Katie Dunne (NSWDPI), Hartley Higgins, Mrs Fiona Higgins, Anna Pellizer, Kathy Perrin, Mindi Singh, Jack Torresan, Wendy Toscan, Anthony Vitucci, Alan Zalanardo.

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

Guest Speaker: Jim Caddy Chair Inland Wine Regions Alliance.

Apologies: David Rossetto, Gary Bugno, Bob Sjollem, Tim Bavaresco, Ezio Arcifa, Gary Morandin, Dennis Menegon, Pascal Guertin, Dom Calabria, Angelo D'Aquino, Manjit Singh, Frank Alampi, Laurence Minato, Sam Mancini.

Minutes of the previous Annual General Meeting 2018

Copies of the minutes had been included in the Annual Report for 2019 for members.

That the minutes be accepted as a true and accurate record of 26th June 2019 meeting -

MOVED: Tony Cristofaro

SECONDED: Eric Berton CARRIED

1.1 Business Arising from the Minutes

No business was raised from the previous minutes.

2. Chairman's Report – Bruno Brombal

The welcomed Ms Katie Dunn NSW DPI Development Officer and Jim Caddy Chair of the Inland Regions Alliance.

The crop levels in 2020 were down on average for the region with Chardonnay the hardest hit variety, being down 12,000 tonnes on the previous year. Average winegrape prices particularly white winegrapes did not provide a viable return with the lower than expected yields.

2021 winegrape prices for white winegrapes need to improve, Chardonnay should pay around \$450 per tonne average, other varieties should maintain their pricing per tonne with other generic white winegrapes holding around \$400 per tonne.

2021 has already been marked with early frost across parts of the region and some hail storms.

To his knowledge all wineries are seeking to increase their intake in 2021 which means that they need the fruit and this shouldn't change regardless of the impacts of China trade concern.

Grape Spillage: 2020 was a terrible year for winegrape spillage on local roads in the region, particularly the first two weeks of the vintage. If we continue to have these then we risk regulation in terms of transporting winegrapes to the winery.

NSWDPI Review of the Board. This was completed in 2020 and the Board is happy with the outcome and acknowledgement that the services being undertaken by the Board are valued by our members. Changes to the legislation will unfortunately require a poll of members.

Payment terms issues, members were asked to in the first instance speak to your purchaser prior to contacting the Board about a default or delay in payment. Know what your contract terms are.

Board elections are due to be held at the end of 2021. If any members are interested in becoming a

member of the Board, they will get the opportunity to stand for election.

That the Chairman's report be accepted -

MOVED: Mario Arcifa

SECONDED: John Strano CARRIED

3. Financial Report – Brian Simpson CEO

The CEO presented the income and expenditure statements as per the Annual Report for 2019. The Board recorded a moderate financial surplus due to a revaluation of its building asset whilst returning to growers an amount of \$1.00 per tonne on fees to growers.

That the Annual Report for 2019 be adopted -

MOVED: Eric Berton

SECONDED: Bruno Altin CARRIED

4. General Business

4.1 Wine Grapes Marketing Board Review

Members were advised that the review by the NSW Government into the operations and function of the Board had been completed and we now await the drafting of new foundation regulations that will provide the industry services undertaken by the Board.

It will require a poll of members to gain the necessary legislative approvals.

4.2 ACCC Review into the Industry

Following the ACCC Review the Australian Grape and Wine association reviewed the code of conduct as per the ACCC recommendations. However, it was noted that it was lacking in transparency, pricing information and payment terms notably.

Members were informed that in October 2020 Berton Vineyards had signed the Code making them the first in the Riverina to do so.

Being no further business, the meeting was declared closed at 8:30pm.

NSW Wine Industry Association Report

Funny (or not funny) to say this, but in a time of COVID-19 and having lost our biggest trading partner in China, it is actually a better start to the year in 2021 than it was this time last year.

The last year has seen changes in both the domestic trade and our export markets. From a domestic standing, Retail sales are strong and growing with 'supermarket wines' leading the way.

The On-Premise market is starting to recover but still trades at much lower numbers than pre-covid. We have also seen the growth of Cellar Doors fuelled by domestic (intrastate) tourism. Cellar Doors are at record high value numbers due to the desire by metro-based people looking for a regional holiday. It's our challenge to now keep these visitors for next time!

The Direct-to-Consumer channel has also seen significant increases and will be a larger part of the channel mix going forward. Internationally, consumption is down due to COVID-19 in 9 of the top 10 markets (only exception is the USA). The China market for Australian Wine is most likely lost to the Australian Wine Industry for a number of years. We need to work on building existing markets such as the USA and UK, but also develop new opportunities such as India.

The NSWIA has had a very busy year in 2020 and the start of 2021. We have really changed focus to assist industry across such areas as bushfire assistance, COVID-19 planning and information, as well as working with industry as 'change' become the new norm.

We are also delighted to have worked with the Wine Grapes Marketing Board, Riverina Winemakers Association and the NSW DPI to better resource the state government and winegrape industry through the employment of two new NSW DPI Development Officers – Viticulture. Katie Dunne is based in the Riverina and appears to have hit the ground running. She is someone we should use to better the outcome in the Riverina. Maggie Jarrett has been recently

employed to look after Sustainability and Biosecurity and she will start rolling out plans in the next weeks and months. Darren Fahey remains strong and is based in Orange, NSW. The industry is well supported by the NSW DPI across most facets of Research, Development, Extension and Biosecurity.

We are also an active participant in more training, with Viticulture now a named partner industry in the Agskilled 2.0 training fund worth \$15m over 3 years. This training generally consists of single units of competency and covers both technical skills, such as pest and disease management, as well as the softer skills such as leadership and governance. We should embrace this free training as an industry.

We still have challenges, particularly in getting the NSW Government to support the wine industry at a level that puts us on a fair playing field compared to other states. At the time of writing, we are still finalising the Version 2 of the MOU (memorandum of understanding) with the NSW Government. When signed this will give us additional support in areas such as export, trade and tourism. We need to continue to communicate with and challenge government at local, state and federal levels to support our great industry.

Associations are constantly under review as to why we exist and why our members (regions, corporates and sponsors) should continue to financially support us. The NSWIA is stronger and more effective that it has been in recent memory and this is a credit to the largely voluntary Board led by President, Mark Bourne.



Angus Barnes
Executive Officer - NSW Wine Industry
Association
exec@nswwine.com.au





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 the Wine Grapes Marketing Board (the Board), which comprise the Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 December 2020, the Statement of Financial Position as at 31 December 2020, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the Board's financial position as at 31 December 2020 and its performance for the year ended on that date
- 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 (including Independence Standards)' (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 2020 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, the PF&A Act and for such internal control as the Board determines 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.

The scope of my audit does not include, nor 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.



Min Lee
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

9 March 2021
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

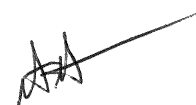
Pursuant to Section 41C of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of the members of the Wine Grapes Marketing Board for the City of Griffith and the Local Government Areas of Leeton, Carrathool and Murrumbidgee, we declare on behalf of the Board that in our opinion:

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 2020 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 8th March 2021

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 2020

31/12/19		Note	31/12/20
\$			\$
	INCOME		
7,126	Other Income	2	5,102
44,332	Interest		22,483
-	Grants	3	-
613,503	Fees and Charges on Growers	4	736,869
4,390	Gain/(Loss) on Sale of Assets		(3,112)
669,351	TOTAL INCOME		761,342
	EXPENDITURE		
17,445	Audit Fees		17,500
1,160	Bank Fees		1,027
54,491	Board Fees, Allowances & Superannuation		93,368
9,261	Consultancy Fees		68,533
41,540	Depreciation		35,838
11,367	Fringe Benefits Tax		8,200
177,337	Other Administration Expenses	5	150,474
274,965	Salaries, Wages & Superannuation		284,363
53,967	Subscriptions		63,745
15,713	Travelling Expenses		1,253
4,367	Employees Leave Entitlements		(3,292)
27,655	Promotion		21,591
689,268	TOTAL EXPENDITURE		742,600
(19,917)	SURPLUS/(DEFICIT) FOR THE YEAR		18,742
	OTHER COMPREHENSIVE INCOME		-
	<i>Items that will not be reclassified subsequently to Profit and Loss:</i>		
121,965	Revaluation increment for Property, Plant and Equipment		-
102,048	TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		18,742

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,
Carrathool and Murrumbidgee

STATEMENT OF FINANCIAL POSITION
as at 31 December 2020

31/12/19	CURRENT ASSETS	Note	31/12/20
\$			\$
124,082	Cash & Cash Equivalents	6	1,449,635
44,247	Trade and Other Receivables	7	23,840
1,800,000	Investments	8	500,000
16,115	Prepayments	9	16,126
1,984,444	Total Current Assets		1,989,601
	NON-CURRENT ASSETS		
818,106	Property, Plant & Equipment	10	817,553
818,106	Total Non-Current Assets		817,553
2,802,550	TOTAL ASSETS		2,807,154
	CURRENT LIABILITIES		
71,055	Trade and Other Payables	11	60,209
35,013	Employee Benefits	12	30,169
106,068	Total Current Liabilities		90,378
	NON-CURRENT LIABILITIES		
2,387	Employee Benefits	12	3,939
2,387	Total Non-Current Liabilities		3,939
108,455	TOTAL LIABILITIES		94,317
2,694,095	NET ASSETS		2,712,837
	EQUITY		
334,370	Reserves	13(a)	334,370
2,359,725	Retained Earnings	13(b)	2,378,467
2,694,095	TOTAL EQUITY		2,712,837

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,
Carrathool and Murrumbidgee

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2020

31/12/19		Note	31/12/20
\$			\$
	RESERVES		
	Asset Revaluation Reserve		
212,405	Balance on 1 January		334,370
121,965	Net increase on revaluation of land & buildings		-
334,370	Balance on 31 December		334,370
	RETAINED EARNINGS		
2,379,642	Balance on 1 January		2,359,725
(19,917)	Surplus/(Deficit) for the year		18,742
2,359,725	Balance on 31 December		2,378,467
2,694,095	TOTAL EQUITY		2,712,837

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,
Carrathool and Murrumbidgee

STATEMENT OF CASH FLOWS
for the Year Ended 31 December 2020

31/12/19	Note	31/12/20
Inflows		Inflows
(Outflows)		(Outflows)
\$		\$
CASH FLOWS FROM OPERATING ACTIVITIES		
RECEIPTS		
825,591	Wineries & Growers	740,814
29,831	Interest Received	46,059
5,745	Other	5,612
861,167		792,485
PAYMENTS		
(329,494)	Employee Benefits	(374,895)
(307,280)	Payments to Suppliers	(349,606)
(212,666)	Payments to Growers	(4,035)
(849,440)		(728,536)
NET CASH PROVIDED BY OPERATING		
11,727	ACTIVITIES	63,949
	14	
CASH FLOWS FROM INVESTING ACTIVITIES		
54,772	Proceeds from Sale of Fixed Assets	25,455
(93,362)	Payments for Property, Plant & Equipment	(63,851)
(500,000)	Payments (proceeds) for Investments	1,300,000
(538,590)	NET CASH USED IN INVESTING ACTIVITIES	1,261,604
NET INCREASE/(DECREASE) IN CASH AND CASH		
(526,863)	EQUIVALENTS	1,325,553
650,945	Cash & cash equivalents at 1 January	124,082
124,082	Cash & cash equivalents at 31 December	1,449,635
	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,
Carrathool and Murrumbidgee

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

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 8th March 2021.

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

AASB 1059 *Service Concession Arrangements* has been adopted for the first time on 1 January 2020. The implementation of this standard has not had an impact on Wine Grapes Marketing Board.

The accounting policies set out below have been consistently applied to all years presented.

(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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Property, Plant & Equipment (continued)

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.

(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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

NOTE 2: OTHER INCOME

31/12/19		31/12/20
\$		\$
91	Reimbursements	182
773	Sales	630
1,609	Sample testing	2,558
2,750	DPI Vine watch reporting	750
1,903	Other	982
<u>7,126</u>		<u>5,102</u>

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 inclusive of GST.

31/12/19		31/12/20
\$		\$
19,335	Balance on 1 January	18,939
-	Riverina Local Land Services Bird Program Funding	-
<u>19,335</u>		<u>18,939</u>
396	Research Outlays/Program Outlays	18,939
<u>18,939</u>	Balance at 31 December	<u>-</u>

NOTE 4: FEES & CHARGES ON GROWERS

For the 2020 vintage the fees and charges rate was approved by a formal motion of members at \$3.90 per tonne (2019 \$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.

A number of growers received a return of \$3.90 per tonne in 2020 as they produced less than 20 tonnes in the year (70.67 tonnes in total across 5 growers - \$276 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. These held funds are shown as a liability in Note 11.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

NOTE 4: FEES & CHARGES ON GROWERS (continued)

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

31/12/19		31/12/20
\$		\$
-	Fees and charges paid by growers (2020 production)	740,904
824,334	Fees and charges paid by growers (2019 production)	-
1,835	Fees and charges paid by growers (2018 production)	-
(397)	Levies returned (non-constituted growers) \$3.90 per tonne	(276)
(211,484)	Levies returned \$1.00 per tonne on the 2019 vintage	-
(266)	Levies returned \$1.00 per tonne on the 2018 vintage	(642)
(519)	Levies returned \$1.50 per tonne on the 2017 vintage	(446)
-	Levies returned and refunded \$1.50 per tonne on the 2016 vintage	56
-	Levies returned \$1.50 per tonne on the 2013 vintage	(1,850)
-	Levies returned \$1.50 per tonne on the 2012 vintage	(50)
-	Levies returned \$1.50 per tonne on the 2011 vintage	(827)
613,503	NET RECEIPTS Levies Retained	736,869

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 (2019: Nil).

At year end there are no contract assets or contract liabilities recognised from contracts with customers (2019: Nil).

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

NOTE 5: OTHER ADMINISTRATION EXPENSES

Details of the components of this item are as follows:

31/12/19		31/12/20
\$		\$
41,265	Agency Fees	36,980
13,580	Accountancy	17,227
11,999	Advertising, Printing & Stationery	9,425
7,484	Computer Expenses	11,223
3,183	Conferences & Seminars	-
15,019	Industry Functions	7,099
14,963	Insurance	15,663
-	Legal Fees	1,180
10,438	Motor Vehicle Expenses	8,636
14,291	Office Expenses	8,998
15,191	Postage and Telephone	13,158
3,368	Rates	3,068
3,831	Research & Development Function	9,486
5,000	Research Project Payments	-
1,350	Reimburse ChemCert Training/HACCP certification	3,900
12,000	Sponsorship	-
198	Staff Training	360
4,177	Sundry	4,071
<u>177,337</u>		<u>150,474</u>

NOTE 6: CASH & CASH EQUIVALENTS

31/12/19		31/12/20
\$		\$
39,400	Administration Account	357,583
84,682	Grower Payments Cheque Account	92,052
-	Term Deposits	1,000,000
<u>124,082</u>		<u>1,449,635</u>

Refer to note 3 for details of restricted funds.

NOTE 7: TRADE AND OTHER RECEIVABLES

Amounts owing to the Board at 31 December 2020 comprise:

31/12/19		31/12/20
\$		\$
550	Trade Debtors	-
11,933	GST Receivable	15,652
31,764	Accrued Income	8,188
<u>44,247</u>		<u>23,840</u>

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (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.

The balance is nil for current and prior years.

NOTE 8: INVESTMENTS

31/12/19		31/12/20
\$		\$
1,800,000	Term Deposits	500,000
1,800,000		500,000

NOTE 9: PREPAYMENTS

31/12/19		31/12/20
\$		\$
16,115	Insurance	16,126
16,115		16,126

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

NOTE 10: PROPERTY, PLANT & EQUIPMENT

31/12/19		31/12/20
\$		\$
	Land & Buildings	
	Freehold Land at:	
320,000	- independent valuation 31 December 2019	320,000
320,000		320,000
	Buildings at:	
408,000	- independent valuation 31 December 2019	408,000
(27)	Less accumulated depreciation	(10,226)
407,973		397,774
727,973	Total Land & Buildings	717,774
63,588	Office Equipment - at cost	55,997
(55,434)	Less: Accumulated Depreciation	(47,836)
8,154		8,161
80,162	Motor Vehicles - at cost	81,284
(6,739)	Less: Accumulated Depreciation	(12,390)
73,423		68,894
23,960	Computer Equipment - at cost	26,095
(21,786)	Less: Accumulated Depreciation	(22,501)
2,174		3,594
122,402	Research Equipment - at cost	134,621
(116,020)	Less: Accumulated Depreciation	(115,491)
6,382		19,130
90,133	Total Plant & Equipment	99,779
818,106	Total Property, Plant & Equipment	817,553

(a) Land and buildings were revalued by John Carbone, AAPI Certified Practising 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 - 2020

WDV	Land & Buildings \$	Research Equipment \$	Office Equipment \$	Motor Vehicle \$	Computer Equipment \$	Totals \$
Balance at 1 January 2020	727,973	6,382	8,154	73,423	2,174	818,106
Acquisitions	-	16,819	1,858	40,186	4,988	63,851
Revaluation	-	-	-	-	-	-
Depreciation	(10,199)	(4,071)	(1,851)	(16,149)	(3,568)	(35,838)
Disposals	-	-	-	(28,566)	-	(28,566)
Balance at 31 December 2020	717,774	19,130	8,161	68,894	3,594	817,553

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (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

31/12/19		31/12/20
\$		\$
19,029	Trade Creditors	19,648
2,677	GST Payable	9
5,343	PAYG Withholding	8,179
40,533	Accruals	31,393
1,094	Grower Fees & Charges	454
2,379	Credit Cards	526
71,055		60,209

NOTE 12: EMPLOYEE BENEFITS

CURRENT

31/12/19		31/12/20
\$		\$
33,453	Provision for Annual Leave	27,116
1,560	Provision for Long Service Leave	3,053
35,013		30,169

NON-CURRENT

31/12/19		31/12/20
\$		\$
2,387	Provision for Long Service Leave	3,939
2,387		3,939

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

NOTE 13: EQUITY

(a): RESERVES

31/12/19		31/12/20
\$		\$
212,405	Opening balance	334,370
121,965	Net increase/(decrease) on revaluation of land & buildings	-
334,370		334,370

(b): RETAINED EARNINGS

31/12/19		31/12/20
\$		\$
2,379,642	Retained earnings at the beginning of the financial year	2,359,725
(19,917)	Surplus/(Loss) for the year	18,742
2,359,725	Retained earnings at the end of the financial year	2,378,467

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

31/12/19		31/12/20
Inflows		Inflows
(Outflows)		(Outflows)
\$		\$
(19,917)	Surplus/(Deficit) for the year	18,742
	Adjustments for:	
41,540	Depreciation	35,838
(4,390)	(Gain)/Loss on Sale of Assets	3,112
(4,240)	(Increase)/Decrease in Receivables	(3,170)
(14,502)	(Increase)/Decrease in Accrued Income	23,576
9,873	Increase/(Decrease) in Payables	(10,845)
4,367	Increase/(Decrease) in Employee Entitlements	(3,292)
(1,004)	(Increase)/Decrease in Prepayments	(12)
11,727	Net Cash provided by operating activities	63,949

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

NOTE 15: FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies

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

(2) 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:

2020	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	0.00%	449,635	-	-	-	-	449,635
Term Deposits	0.80%	-	1,500,000	-	-	-	1,500,000
Trade and Other Receivables	-	-	-	-	-	8,188	8,188
		449,635	1,500,000	-	-	8,188	1,957,823
Financial Liabilities							
Payables		-	-	-	-	52,021	52,021
	N/A	-	-	-	-	52,021	52,021

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 2020 (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.

(4) 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
	2019	2019	2020	2020
	\$	\$	\$	\$
Financial Assets				
Cash and Cash Equivalents	124,082	124,082	1,449,635	1,449,635
Trade and other Receivables	32,314	32,314	8,188	8,188
Other Investments	1,800,000	1,800,000	500,000	500,000
Financial Liabilities				
Trade and other Payables	63,035	63,035	52,021	52,021

(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 2020 (2019: nil).

NOTE 17: CONTINGENT LIABILITIES

The Board is not aware of any contingent liabilities as at the date of signing off the accounts (2019: nil).

NOTE 18: RELATED PARTY TRANSACTIONS

During the 2020 Financial Year there were no material related party transactions, other than those noted in Note 20 which were conducted at arm's length.

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

NOTE 19: 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.

31/12/19		31/12/20
\$		\$
197,360	Short-term benefits	236,728
15,156	Post-employment benefits	20,868
2,157	Other long-term benefits	2,285
214,673	Total remuneration	259,881
8	Total number of executives	9

NOTE 20: 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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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020 (continued)

NOTE 20: 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:

31/12/19		31/12/20
\$	Change in surplus	\$
1,241	Increase in interest rate by 1%	4,496
(1,241)	Decrease in interest rate by 1%	(4,496)

31/12/19		31/12/20
\$	Change in equity	\$
1,241	Increase in interest rate by 1%	4,496
(1,241)	Decrease in interest rate by 1%	(4,496)

NOTE 21: SUBSEQUENT EVENTS

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

End of Audited Accounts

2021 CONSOLIDATED BUDGET AS PER STRATEGIC PLAN 2021-2025

2020 Budget	2020 Actual	EXPENSE ACCOUNTS	2021 Budget
INCOME			
\$799,500	\$736,869	Charges (\$3.90 per tonne - 220,000 tonnes)	-
-	-	Charges (\$3.90 per tonne – 209,000 tonnes)	\$815,100
\$28,000	\$22,483	Interest from Bank Accounts	\$18,750
\$28,000	(\$3,112)	Gain/(loss) on Sale of Assets	\$28,000
\$4,475	\$5,102	Income from Operating Activities (Sundries)	\$4,725
-	-	Grant Income	-
\$859,975	\$761,342	TOTALS	\$866,575
OPERATING EXPENDITURE			
\$15,000	\$17,227	Accountancy Fees	\$16,000
\$3,450	\$1,288	Advertising Activities	\$4,800
\$39,975	\$36,980	Agency Expense	\$40,755
\$17,000	\$17,500	Audit Fees – Statutory	\$17,500
\$1,700	\$1,027	Bank Fees and Charges	\$1,550
\$95,000	\$85,534	Board Fees and Allowances	\$95,000
\$7,820	\$11,223	Computer Expenses	\$7,100
\$2,500	-	Conferences/Seminars	\$4,900
\$20,500	\$68,533	Consultancy Costs	\$69,400
\$41,000	\$35,838	Depreciation Expense	\$35,000
-	-	Donations	-
\$8,500	\$8,199	Fringe Benefits Tax	\$8,800
\$12,200	\$7,099	Industry Functions	\$5,250
\$16,000	\$15,663	Insurance	\$15,750
\$4,500	\$1,180	Legal Fees	\$1,500
\$12,000	\$8,636	Motor Vehicle Expenses	\$12,550
\$18,500	\$8,998	Office Expenses	\$6,000
\$12,020	\$13,158	Postage and Telephone	\$13,460
\$10,681	\$8,137	Printing and Stationary	\$11,300
\$28,000	\$21,591	Promotion	\$30,000
\$4,457	(\$6,336)	Provision: Annual Leave	\$5,690
\$1,800	\$3,045	Provision: Long Service Leave	\$2,233
\$4,000	\$3,068	Rates	\$3,850
\$2,050	\$9,486	Research Consumable	\$3,700
\$15,500	-	Research Payments	\$15,000
\$280	-	Return of Statutory Fees – growers < 20t	\$280
-	\$3,900	Reimburse Chemical Certificate Training	-
\$249,858	\$260,046	Salaries and Wages	\$259,040
\$12,000	-	Sponsorship	-
\$4,000	\$360	Staff and Board Training	\$8,360
Subscriptions:			
\$10,050	\$10,367	Magazines Subscription for Growers	\$11,500
\$7,350	\$14,715	Irrigation Representation	\$7,350
\$12,000	\$12,000	NSW Wine Industry Association	\$12,000
\$1,100	\$1,663	Sundry Subscriptions	\$1,950
\$30,000	\$25,000	Inland Regions Alliance	\$25,000
\$5,000	\$4,071	Sundry expense	\$5,000
\$32,286	\$32,151	Superannuation	\$32,409
\$17,300	\$1,253	Travelling Expenses	\$18,900
\$775,377	\$742,600	TOTAL EXPENDITURE	\$808,877
\$84,598	\$18,742	SURPLUS/(DEFICIT	\$57,698
BUDGETED CAPITAL EXPENDITURE			
\$69,000	\$40,186	Motor Vehicles	\$58,000
-	\$23,666	Building, Office, Computer & Research Equipment	-
\$69,000	\$63,852	TOTAL CAPITAL EXPENDITURE	\$58,000
\$844,377	\$806,452	TOTAL EXPENDITURE (including capital expenditure)	\$866,877
\$15,598	(\$45,110)	SURPLUS/(DEFICIT) – including capital expenditure	(\$302)

The above 2020 Budget was presented and approved by growers 25 November 2020



Riverina
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