



## WINE GRAPES MARKETING BOARD



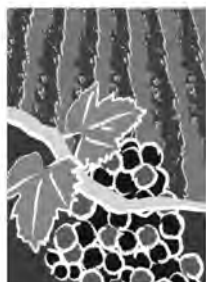
Serving  
Riverina  
Winegrape  
growers  
since  
1933

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

## ANNUAL REPORT 2009

# WINE GRAPES MARKETING BOARD

## Annual Report for 2009



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

### **Wine Grapes Marketing Board Offices**

Location: Riverina Winegrape Growers Centre  
Residential: 182 Yambil Street GRIFFITH  
Postal: PO Box 385 GRIFFITH NSW 2680  
Telephone: 02 6962 3944  
Facsimile: 02 6962 6103  
Email: board@wgmb.net.au  
Website: www.wgmb.net.au

### **Board Executive Members**

#### **Chairman**

Bruno Brombal  
Mobile: 0429 630 465

#### **Deputy Chairman**

Robert Bellato  
Mobile: 0408 477 210

### **Staff Members**

#### **Chief Executive Officer**

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

#### **Industry Development Officer**

Kristy Bartrop  
Mobile: 0422 717 573  
Email: kbartrop@wgmb.net.au

#### **Technical Officer**

John-Ross Wood  
Mobile: 0416 442 074  
Email: jrwood@wgmb.net.au

### **Annual General Meeting**

Wednesday 23 June 2010  
Yoogali Catholic Club  
Jondaryan Avenue GRIFFITH NSW  
Commencing at 8pm

### **Page(s)**

1	Acronyms and Abbreviations used
2	Letter to the Minister
3	Chief Executive Officer's Introduction for 2009

### **Statutory Compliance**

3	Board Staff Changes
3	Application for Extension of Time
3	Agricultural Industry Services of the Board
4	Aims & Objectives
4	Management and Structure
4	Board Members during 2009
4	Meetings of the Board
4	Board Members Attendance
4	Board Staff
4	Customer Access
4	Ethnic Affairs Priority Statement
4	Summary of Operations
5-7	Operations and Activities Brief for 2009
7	Funds Granted to Non-Govt Comm. Orgs
7	Legal Change
7	Economic or Other Factors
7	Management & Activities
7	Research & Development
7-8	Human Resources
8	Consultants
8	Equal Employment Opportunity
8	Disability Plans
8	Land Disposal
8	Promotion
8	Consumer Response
8	Guarantee of Service
8	Payment of Accounts
8	Time for Payment of Accounts
8	Risk Management & Insurance Activities
8	Disclosure of Controlled Entities
9	NSW Government Action Plan for Women
9	Occupational Health and Safety
9	Waste
9	Numbers of Executive Officers
9	Freedom of Information Act
9	Electronic Service Delivery
9	Appointed Auditors
9	Annual Reports
9	Legal Matters
9	Financial Year
9	Conclusion

### **2009 Year in Review**

9-10	Chairman's Report for 2009
11	Regional Association Reports
11-13	Research & Development Report
13-15	Minutes of the Previous Annual General Meeting
16	NSW Wine Industry Association
16-17	National Irrigators' Council
17	NSW Irrigators' Council
17-18	Wine Grape Growers' Australia

### **Financial Reporting and Information**

19-20	Statement by the NSW Audit Office
21	Statement by Members of the Board
22-39	Audited Financial Report

### **Wine Grapes Marketing Board 2010 Budget**

40	2010 Consolidated WGMB Budget
41	Notes to the 2010 Consolidated Budget

## ACRONYMS AND ABBREVIATIONS USED IN THIS REPORT

ABARE	Australian Bureau of Agricultural Research Economics
AGM	Annual General Meeting
CEO	Chief Executive Officer
CSIRO	Commonwealth Scientific and Industrial Research Organisation
EEO	Equal Employment Opportunity
GWRDC	Grape and Wine Research and Development Corporation
HACCP	Hazards Analysis of Critical Control Points
IDO	Industry Development Officer
LBAM	Light Brown Apple Moth
MIA	Murrumbidgee Irrigation Area
NSW	New South Wales
NSWDPI	New South Wales Department of Primary Industries
NSWWIA	New South Wales Wine Industry Association
NWGIC	National Wine & Grape Industry Centre
RTA	Roads and Traffic Authority
SMS	Short Message Service
WGGA	Wine Grape Growers' Australia
WGMB	Wine Grapes Marketing Board

## Letter to the Minister

12 April 2010

The Honourable Steven Whan MP  
Minister for Primary Industries  
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 31, 2009.

This 76<sup>th</sup> Annual Report on performance, activities and financial results has been prepared in accordance with provisions of the Annual Reports (Statutory Bodies) Act 1984.

Yours sincerely



Bruno Brombal

Chairman – Wine Grapes Marketing Board

## Chief Executives' Report - Brian Simpson

Welcome again to the Wine Grapes Marketing Board's Annual Report of its operations and financial situation.

This Annual Report contains a draft copy of the minutes of the AGM that was held in 2009 for your information prior to the next AGM to be held in 23 June 2010.

In 2009 the Board introduced its new Strategic Operations Plan 2010 - 2014. This is in line with the NSW Government's requirements under the Agricultural Industry Services Act that bodies such as the Board must provide a revised 5 year Strategic Operations plan annually. Copies of this plan were sent to all growers in November and digital versions are also available via the Board's website.

2009 was a year of change for the industry in terms of recognising oversupply factors were going to severely impact on growers for a number of years.

The federal industry bodies got together and produced a document titled the Wine Restructuring Action Agenda (WRAA) that simply stated that the industry must reduce its plantings to remain sustainable. Sadly this document has potentially damaged the industry more in terms of its market position and with growers looking at receiving some of the lowest winegrape prices in decades from regional wineries.

The WRAA document was disseminated to all growers in the Board's newsletter and while it is interesting to note that the analysis of this region was encouraging in terms of stating zero percent of the region is currently uneconomical this is a far cry from the reality that is facing the growers.

The global financial crisis and the strong Australian dollar have not helped the industry in terms of sales to overseas countries and our competitor countries in the new world regions of the industry are becoming a force to reckon with in terms of the product and price that they are offering into Australia's significant markets of the USA and UK.

This season the Board has noted a downturn in growers attending its meetings but a marked increase in the numbers of growers that are coming into the Board office to discuss the issues of the industry. The Board encourages growers to attend the industry meetings so that they can stay abreast of the current information in the industry. The Board also needs your support.

Regardless, the Board is positive about the future that this region has due to the higher level of security for irrigation water and available land. However with declining returns for growers and the ever uncertainty in relation to selling of winegrapes each year there is likely to be many growers that take steps to leave the industry.

## Statutory Compliance

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

### Board Staff Changes

During 2009 the following changes to the permanent staff at the Board office occurred:

Kristy Bartrop was appointed to the permanent position of Industry Development Officer following news of the resignation of the previous Industry Development Officer Jason Cappello whom was provided with leave without pay for 12 to 18 months.

Jason has recently taken on the position of district viticulturist and Industry and Investment NSW.

Erin Adams resigned from the position of Office Manager in August and the position was filled by Heidi Watt.

### Application for Extension of Time

The Wine Grapes Marketing Board did not apply for an extension in the time allowed to produce and publish its Annual Report for 2009. It was envisaged that the report would be completed within the statutory timeframe.

### Agricultural Industry Services of the Board

The Board functions under the Wine Grapes Marketing Board (Reconstitution) Act 2003.

Under this legislation the Board has the following agricultural industry services:

- (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).

### ***Aims and Objectives***

The following have been established and are consistent with the industry services of the Board:

- ensure a system of orderly and stable payments;
- improve the long-term viability of vineyards;
- improve the marketability of Riverina winegrapes;
- provide a resource for industry information and data;
- increase awareness of the Riverina as a major producer of quality wine;
- improve the professional and technical skills of winegrape growers;
- improve communication and cooperation with wineries; and
- encourage and facilitate viticulture research.

### ***Management & Structure***

The Board consists of seven members, five of whom are elected by winegrape growers and two appointed by the Board. The elected members of the Board have a three year term that ceases February 2013. The appointed members' terms cease February 2011.

### ***Board Members during 2009***

- Bruno Brombal (Chairman - Executive)
- Robert Bellato (Deputy Chair - Executive)
- Lou Dal Nevo
- Pascal Guertin
- Tony Baggio
- Eric Berton (re-appointed in 2008)
- Rodney Zuccato (re-appointed in 2008)

### ***Meetings of the Board***

During the 12 months to 31 December 2009 there were 12 general meetings, 2 special meeting and 3 public meetings of the Board.

The Board holds its general meetings the second Monday of each month. Public Meetings held in 2009 were the Annual General Meeting and the Strategic Planning and Budget setting meeting and a Special Meeting to discuss the industry pricing issues.

### ***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.

<i>Meeting Type</i>	<i>Special</i>	<i>Public</i>	<i>General</i>	<i>%</i>
<i>Number of:</i>	<i>3</i>	<i>3</i>	<i>12</i>	
Bruno Brombal	3	2	11	89%
Robert Bellato	3	2	10	84%
Lou Dal Nevo	3	3	12	100%
Tony Baggio	3	3	11	95%
Pascal Guertin	3	2	10	84%
Eric Berton	2	3	11	89%
Rodney Zuccato	3	2	10	84%

### ***Board Staff***

From 1 Jan 2009 - 31 Dec 2009 staff members were:

- *Chief Executive Officer* - Brian Simpson
- *Industry Development Officer* – Kristy Bartrop
- *Office Manager* – Erin Adams (resigned Aug. 2009)
- *Office Manager* – Heidi Watt
- *Technical Officer* – John-Ross Wood

### ***Customer Access***

The office is located at 182 Yambil Street Griffith.

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).

### ***Ethnic Affairs Priorities Statement***

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.

### ***Summary of Operations***

The following summary of operations provides a brief note of the activities conducted and meetings attended by the Board in 2009 during each month. This report does not include General Meetings of the Board that were held monthly.

### **January (dates of meetings held)**

- (07-08) The Board undertook a tour of the other inland regions to review the current situation in terms of grapes being available or abandoned in these regions. It was determined that a vast number of vineyards in each region had been abandoned or not well maintained during the 2008-09 growing season.
- (09) CEO and IDO, NSWWIA R&D meeting in Sydney.
- (09) Chair, NWGIC Manager in Griffith
- (13) IDO and TO Riverina, Viticulturist meeting in Griffith.
- (19) TO, commenced funded laboratory services.
- (20) CEO and Chairman, NSWWIA meeting in Sydney.
- (21) CEO, DeBortoli Wines grower induction meeting, Yoogali Catholic Club.
- (27) CEO and Chair, GWRDC Industry Forum in Orange.
- (29) Board and Staff, RWIF meeting in Griffith.
- (30) IDO, R&D priority meeting with wineries in Griffith.

### **February (dates of meetings held)**

- (03) CEO and Chair's meeting with J&H Estate representatives re payments to growers.
- (04) CEO, NSW Business Chamber in Leeton.
- (05) IDO, IREC irrigation technology sub-committee meeting.
- (05) IDO, Riverina Field Day committee meeting in Griffith.
- (06) CEO, NSW DPI Community Advisory Committee meeting (discuss the closure announcement of the Murray Road site – throughout the year).
- (12) IDO, Carbon Trading Workshop in Griffith.
- (18) CEO, TV interview in Griffith.
- (18) IDO, Mental Health network meeting in Griffith.
- (23-25) CEO, Auditors in the Office of the Board.
- (24) CEO, ABC Radio Interview in Griffith.
- (25) CEO and Chair, MI meeting in Griffith.
- (27) CEO, NSW DPI Community Advisory Committee

### **March (dates of meetings held)**

- (03) CEO, MI Customer Liaison Group meeting in Griffith.
- (05) IDO, Riverina Field Day Meeting in Griffith.
- (12) CEO, NSWIC Meeting in Sydney.

(17-19) IDO and TO, GWRDC Workshop in Adelaide.

- (18) CEO, NSW DPI Community Advisory Committee
- (19) OM, Workcover Training in Griffith.
- (20) CEO, NSW Business Chamber in Wagga Wagga.
- (24) CEO and T Baggio, NIC Meeting in Canberra.
- (26) CEO, NSWBC Business Training Seminar in Griffith.
- (27) IDO, Communities Working Together Workshop in Griffith.
- (30) CEO, Water4Food Meeting in Griffith.
- (31) CEO and Chair, NSW DPI Meeting in Orange.

### **April (dates of meetings held)**

- (1-2) IDO-TO, Tri-state Fruit Fly in Tatura Victoria.
- (2) IDO, Riverina Field Day Committee Meeting.
- (2) CEO, MI meeting re constitutional change in Griffith.
- (7) CEO and Chair, met with WGGA delegation in Griffith.
- (8) IDO, Future Options for Farmers Workshop in Griffith.
- (9) CEO, MI Customer Liaison Committee Meeting.
- (16) IDO, HACCP Team Meeting in Griffith.
- (17) Chair, NSW Wine Industry Advisory Council Meeting in Sydney.
- (20) Chair, NSWWIA Meeting in Sydney.
- (21) IDO, RIVIT Meeting in Griffith.
- (23) IDO, Riverina Field Day Committee Meeting in Griffith.
- (28) CEO and IDO, NSWWIA R&D priority setting meeting.
- (30) IDO, Carbon information session, Griffith.

### **May (dates of meetings held)**

- (4) All Staff, YGGA Meeting.
- (5) IDO, Riverina Field Day Committee Meeting.
- (5) All Staff, HGGA Meeting.
- (8-9) Riverina Field Day
- (11-12) IDO, GWRDC regional funding meeting in Adelaide.
- (13) IDO, Freshcare Environmental Code workshop in Griffith.
- (13) CEO, MI Meeting re constitution.
- (14) CEO and IDO, Meeting re Freshcare program.
- (14) CEO, Yenda IHS Meeting.

- (20) Board representative, NVHSC Meeting in Adelaide.
- (21) CEO and Board rep, RTA meeting in Sydney.
- June (dates of meetings held)**
- (1) CEO and Board, Meeting with Vintage Traders from Mildura.
- (2) CEO and IDO, NSW DPI Meeting re GWRDC funding in Young.
- (3) IDO, HACCP Meeting with Auditors.
- (3) TO, MIA Fruit Fly Meeting, Riverina Citrus.
- (16) IDO and TO, Netafim drip irrigation field day.
- (22) CEO and Board representative, NSW WIA meeting in Sydney.
- (25) All staff and Board, WGMB Annual General Meeting.
- (29) CEO, NSW Business Chamber Meeting in Griffith.
- (29) All staff, YGGA Meeting in Yenda.
- (29-30) TO attending residential school, CSU Wagga.
- July (dates of meetings held)**
- (1-6) TO attending residential school, CSU Wagga.
- (13) CEO, NWGIC Experimental Winery opening in Wagga Wagga.
- (14) CEO and Board Representative, NIC meeting in Canberra.
- (17) CEO, NSW DPI re Fruit Fly meeting Riverina Citrus.
- (17) CEO, NSW Business Chamber workshop in Griffith.
- (21) All Staff, HGGA Meeting in Hanwood.
- (27) CEO, NSW Farmsafe Meeting in Sydney.
- (29) CEO, MI Customer Liaison Committee teleconference.
- (29-31) IDO and TO, ASVO conference in Mildura.
- August (dates of meetings held)**
- (3-4) IDO, GWRDC Pest & Disease workshop in Adelaide.
- (5) IDO and TO, Nepenthe vine stripper demonstration, McWilliams Wines vineyard.
- (10) CEO, NSW WIA Meeting in Sydney.
- (11) IDO, Mental Health network meeting, NSW DPI Griffith.
- (21) IDO and TO, Vine Access training at DeBortoli Wines.
- (24) CEO, NSW DPI Community Advisory Committee Meeting.
- (25) IDO and TO, Terrabyte Solutions re GIS system.
- (25) IDO, MIAVIS Committee Meeting, Yenda.
- (26-28) CEO and Board Representatives, WGGA Meeting in Adelaide.
- (26) IDO, RIVIT Meeting in Griffith.
- (27) IDO, MI Customer Liaison Committee in Griffith.
- (28) IDO, Fruit Fly Research Meeting in Griffith.
- September (dates of meetings held)**
- (4) IDO and Board Members, Riverina Wine Show Dinner in Griffith.
- (8) CEO and Chair, Westpac Bank workshop in Griffith.
- (8) All Staff, YGGA Annual General Meeting in Yenda.
- (10) IDO & TO, Serafin Viticultural Field Day in Yenda.
- (14) All Board, CEO & IDO, Meeting with wineries re 2010 vintage position.
- (22) CEO, HGGA Annual General Meeting in Hanwood.
- (22-25) IDO and TO, Australian Wine Industry Environment Conference in Adelaide.
- (28-29) CEO and Board Representatives, WGGA Meeting in Mildura.
- (29) IDO and TO, Vinebiz Training for growers in Griffith.
- (30) CEO and Chair, Tour for NSW Parliamentarians.
- October (dates of meetings held)**
- (1) CEO, NAB Growers Meeting in Griffith.
- (1) CEO and Chair, Host NSW DPI Director in region.
- (7) All Staff and Board, Regional Grower Update Meeting, Yoogali Club.
- (13) Deputy Chair, Water Related Policies and Programs Information Seminar, Gemini Hotel Griffith.
- (14) IDO and TO, Chemcert Training Griffith.
- (15) IDO and TO, Research to Practice – Vine Nutrition workshop in Griffith.
- (21-22) IDO, Women in Irrigated Agriculture Forum in Albury.
- (23) TO, MI Water Ordering Training in Griffith.
- (26) IDO, MI Water Ordering Training in Griffith.
- (27-29) IDO, GWRDC Grassroots project leaders meeting in Adelaide.



### ***November (dates of meetings held)***

- (2) IDO, On-Farm Irrigation efficiency committee meeting in Griffith.
- (3) CEO and IDO, MIAVIS Annual General Meeting.
- (12) IDO and TO, Research to Practice, Integrated Pest Management Workshop in Griffith.
- (17) CEO and Board Representative, National Irrigators Council meeting in Canberra.
- (17) IDO and TO, YGGA General Meeting in Yenda.
- (18) CEO, Wine Industry Relation Committee and Code of Conduct Management Committee Meetings in Adelaide.
- (24) IDO and TO, NSW DPI Wood rot disease workshop in Griffith.
- (26) IDO and TO, Water and Vine GWRDC Grassroots workshop in Griffith.
- (27) CEO, MI Customer Liaison Group Meeting in Griffith.
- (30) IDO and TO, Workcover Farm safety induction pilot group in Griffith.

### ***December (dates of meetings held)***

- (1) IDO and TO, HACCP team meeting in Griffith.
- (2) CEO and Board representatives, WGGA Meeting in Adelaide.
- (3) CEO and Board representatives, WGGA Special Meeting in Adelaide.
- (7-8) OM, First Aid Training Course in Griffith.
- (7) CEO, WRAA Meeting in Sydney.
- (8) CEO, Orlando Wines, pre-vintage meeting in Griffith.
- (14) IDO, IREC Annual General Meeting in Griffith.
- (15) CEO, IDO and Board representatives, Riverina Wine Industry Forum Meeting in Griffith.
- (15) All Staff and Board, WGMB Strategic Plan and Budget Meeting in Griffith.
- (17) CEO, NSW Workcover Industry Reference Group meeting in Sydney.

During the year the development staff of the Board have been active undertaking second party audits of the growers using the Board's HACCP system.

### ***Funds Granted to Non-Government Community Organisations***

\$2,000 was donated to the Yenda Grape Growers Association and \$2,000 was donated to the Hanwood Grape Growers Association to support the work that these associations do in arranging meetings that the Board can liaise with growers.

### ***Legal Change***

The Wine Grapes Marketing Board operates under the Wine Grapes Marketing Board (Reconstitution) Act 2003, the power of the Board to set and enforce terms and conditions of payment for winegrapes was amended in 2009 with the cessation date being extended for a further two years.

### ***Economic or Other Factors***

There were no significant economic factors that impacted on or affected the achievement of operational objectives of the Wine Grapes Marketing Board.

### ***Management & Activities***

A review of the strategic operations of the Board was conducted by the Board during 2009. This was presented to growers in the *WGMB Strategic Operations Plan 2010-2014 and Operating Budget for 2010* publication. The plan was adopted at a meeting of growers held in December 2009 at which time the rate for the Board's grower fees and charges were set (\$3.90 per tonne fresh weight).

A performance review of all permanent staff was undertaken by Executive members of the Board in December as per the conditions of their contracts.

### ***Research & Development***

The Board continued to operate its own laboratory facilities during the year for growers and third party industry participants. Winegrape maturity sampling for grape growers continued with one casual staff being employed to assist in sampling growers samples.

For the 2010 (current) Vintage, 1 casual staff member was employed for this process.

### ***Human Resources***

During 2009 the Board employed 4 permanent staff, 1 casual staff members.

Staff titles:

- 1 x Chief Executive Officer (CEO)
- 1 x Industry Development Officer (IDO)
- 1 x Office Manager (OM)
- 1 x Technical Officer (TO)
- 1 x Casual Staff (laboratory)

There was a 12% negative variation in wages and salaries from the 2008 position this was due to a decrease in the casual labour used during the vintage to analyse winegrape colour, baumé and pH.

Standard personnel policies and practices are in place with all positions being contracted or subject to signed offers and conditions of employment. Permanent staff

performance is reviewed annually by Board Executive and these reviews are discussed with the Board.

All permanent staff are currently on a 2 year contracts ending in December 2011.

### Consultants

Five (5) consultants were engaged in 2009 costing a total of \$26,577 (\$81,615 in 2008) (excluding GST).

- Management Resource Plus (HACCP system review and management) \$ 1,528
- Retallack Viticulture was engaged to run the GWRDC Grassroots project (Vinebiz) \$ 5,970
- The NSW Electoral Office was engaged to run the Board elections in 2009 \$ 2,925
- The Australian Wine Research Institute was engaged to run the GWRDC Grassroots projects (Grapevine nutrition and Integrated Pest Management) \$14,545
- GrapeLinks was engaged to run the GWRDC Grassroots project (Veraison to Harvest) \$ 1,609

### Equal Employment Opportunity

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

(Jan-Dec) Total Permanent staff:	4
Percent Women:	50%
Percent Men:	50%
(Jan-Dec) Total Casual staff:	1
Percent Women:	100%
Percent Men:	0%

### Disability Plans

The Wine Grapes Marketing 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 2009 Financial Year. A revaluation of the property and land occurred in November 2007 as per NSW Audit Office Agents request. Another revaluation will occur in three years for the purposes of financial reporting.

### Promotion

The Board contributed to the following promotional activities (GST exclusive):

- Purchased 50 wine carriers to use as gifts to visiting dignitaries. \$ 1,186
- Purchased 180 embossed wine glasses to use as gifts to visiting dignitaries \$ 870
- Sponsored the Riverina Wine Show event by funding the trophy for best Semillon wine \$ 1,500
- Tourism Touchscreens \$ 880
- Riverina Field Days \$10,000
- Wine Display at Griffith Aerodrome and Leeton Visitors Centre Wine.
- Distribution of the Riverina Promotional DVD.

### Consumer Response

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

### Guarantee of Service

The Wine Grapes Marketing Board has no formal guarantee of service provisions in place. The Board internal policy is that staff must return all grower and public contact at earliest convenience, with priority given to constituted growers.

### Payment of Accounts

The details of financial performance for the each quarter are 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 30 days of account receipt.

Number of Days	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter
0-30 days	\$36,040	\$98,647	\$123,740	\$107,208
30-60 days	-	-	-	-
60-90 days	-	-	-	-
90+ days	-	-	-	-
<b>\$ Total</b>	<b>\$36,040</b>	<b>\$98,647</b>	<b>\$123,740</b>	<b>\$107,208</b>
<b>% target</b>	100%	100%	100%	100%
<b>% actual</b>	100%	100%	100%	100%

### Time for Payment of Accounts

All accounts were paid for within the timeframes requested by suppliers.

### 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.

### Disclosure of Controlled Entities

The Wine Grapes Marketing Board does not have any controlled entities.

## ***NSW Government Action Plan for Women***

The Wine Grapes Marketing Board is not affected by the Action Plan.

## ***Occupational Health & Safety***

No reports of work-related injuries or illnesses were received during the year. The Board was also not advised of any proceedings against it under the Occupational Health and Safety Act 2000.

## ***Waste***

The Wine Grapes Marketing Board has not moved to implement a written waste reduction policy. All paper that contains information of a non-confidential nature is recycled within the office and then disposed. All confidential material is securely shredded.

## ***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.

## ***Freedom of Information Act***

The Board received 62 requests (66 in 2008) for information under the provisions of the Freedom of Information legislation. These related directly to growers own farm details held by the Board. No charges or fees were requested for FOI requests and these were generally completed within 24 hours of receipt of the application.

## ***Electronic Service Delivery***

Wine Grapes Marketing Board internet site [www.wgmb.net.au](http://www.wgmb.net.au) continues to host Board newsletters and information updates for growers.

The Board also uses facsimile, and email to deliver weather and pest reports to growers during the growing season. Information on meetings are sent via SMS to growers willing to receive these.

## ***Appointed Auditors***

The NSW Audit Office appointed Johnsons MME from Albury as its agent for the 2009 Audit.

## ***Annual Reports***

The Board produced 500 copies of this Annual Report to enable it to be sent to all constituents and to comply with statutory requirements. Annual reports cost \$5.85 per unit (inc. GST), these were printed locally.

## ***Legal Matters***

The Board's solicitor is Mr Phillip Alvaro of Griffith NSW.

The Board through its solicitor is currently pursuing outstanding payments to a number of growers on deliveries of MIA winegrapes by one winery, Grapes to the World.

The Board through its solicitor is currently pursuing outstanding payment to the Board of the statutory fees

and charges on MIA winegrapes by Nugan Quality Foods.

During the course of 2009 the Board clarified the exemption status being claimed by a number of regional winery directors. This has resulted in the Board obtaining further revenues in relation a clarification in the understanding of the legislation. At time of writing the Board was pursuing outstanding fees and charges payment by a grower that is in partnership in his vineyard but is also a Director of a regional winery.

During 2009 there were two breaches of the Wine Grapes Marketing Board (Terms and Conditions of Payment) Order 2009 as noted above, failure to pay the grower and failure to remit statutory fees and charges to the Board.

## ***Financial Year***

1<sup>st</sup> January to 31<sup>st</sup> December. This coincides with the collection of the statutory fees and charges.

## ***Conclusion***

On behalf of the Board staff that work for the growers of the region I would like to thank all the growers that have taken the time to call into the office and provide your views into the management and operations of the Board.

The Board staff members understand the difficult situation that growers are dealing with in terms of the market. If growers wish to talk to the Board or its staff about these matters in more detail we are only too happy to oblige.

## ***2009 YEAR IN REVIEW***

### ***Chairman's Report - Bruno Brombal***

I cannot recall a more desperate time for our industry than the 2009 and 2010 vintages. While in 2009 prices remained somewhat stable "in average terms" the industry was talking itself down in the local, state, national and international media.

What is becoming more pronounced in the region is the difference between winery pricing. We are experiencing an increasing gap in the prices being paid by wineries. These differences are very hard for growers to understand and many feel cheated by the winery that is paying extremely low prices.

The pressure of growers in this region is building and while the national industry bodies are talking the market down they still advise that regions such as the Riverina are a required part of the market. However, if this was the case regional growers would not be seeing the lowest prices in around 30 years for some varieties.

As I write this report I know that the industry will shortly undergo a great deal of unnecessary turmoil in terms of the returns that they will have received for the 2010 vintage.

The sustainability of growers is currently the focus of the Board, as your representative body we have spoken with local banks talking about the positive aspects of the industry in the Riverina. We need to encourage banks to provide those growers that want to stay in the industry with funding to continue in the industry.

The Board is also liaising with the NSW Government directly calling for an Inquiry into the pricing differences within the region. Through its association with the federal growers body Wine Grape Growers Australia, the Board is providing input into approaches to the federal government to seek better targeted exit strategies for winegrape growers.

The Board is very concerned that the downturn in the industry is also causing a high level of anxiety and depression across the industry. Our staff have been dealing with the front end of this issue throughout the year and will continue to talk to growers about their individual issues.

### **Terms of Payment**

The Board is pleased to advise that the NSW Government allowed for the terms and conditions of payment to be extended. This will provide the Board with these powers for the next two years. It is important in the current climate when growers are selling too many new buyers in the market that we can act on your behalf.

### **Communication Issues**

Communication with local wineries have been regular this year in compared to other seasons. The Board has had to meet with wineries in relation to the Wine Industry Restructure Action Agenda and the local issues of oversupply that wineries are being faced with. The liaison has been with through the Riverina Wine Industry Forum. Many of these activities have increased with a view to communicate issues of concern more openly. To some extent this has worked well.

### **Local Associations**

In the past 12 months there has been a strong resurgence in the level of activity of the local grower associations. Both the Hanwood and Yenda associations now are holding regular meetings that are informative for the growers that attend and provide the Board the opportunity to get information out to growers on a first hand basis.

I encouraged all growers to attend the local association meetings. Where possible the Board advises of these dates in the Vine Chat newsletter and we also can sms growers of the meeting details.

### **Wine Industry Code of Conduct**

The industry needs to fix the problems that exist in relation to the way growers and wineries undertake their business transactions.

The code of conduct is the first step in the right direction in formalising how growers and wineries negotiate price for their winegrapes.

The Board is currently pushing to get the code made mandatory in light of consistently poor behaviour among wineries.

### **National Issues**

Wine Grape Growers Australia has continued to operate albeit with a restricted level of funding. Your current regional representative is Robert Bellato. Issues that growers want heard at the national level can be provided the Board or directly to Robert.

The Board is currently funding a number of projects through the WGGGA that it believes is of high value to growers in this region, and consistent with the Board's legislation.

### **Planting More Grapes?**

Any grower considering planting winegrapes in this region needs to do this with a contract to supply these grapes to a winery for at least 7 years. It is even preferable that as a grower you all hold out for a price per tonne for all the production from these plantings.

It is important that any new areas of production that go into the ground in this region are supported by a contract. In the past years we have seen too many new blocks planted based on winery comment and grower speculation. The industry will never recover if this continues.

### **Conclusion**

I would like to finish by thanking Pascal Guertin for the past three year of dedication to the Board, Pascal did not stand for re-election at the recent call for nominations.

I would also like to thank the members of the Board that have continued to attend meetings on behalf of the Board and for attending Board meetings on a regular basis.

I should also thank the staff members that work for the Board as they continue to be the frontline of the Board in its relations with growers and our industry partners. Many of them do after hours work and I know that are constantly being sidelined by growers when not at work.

I trust that growers will stay positive and focused on the industry. For many growers there will be a future in this industry, sadly however due to the oversupply issues many will be forced out of the industry. For these growers I hope that they can get the assistance that they need to help them out of the industry as painlessly as possible.

## ***Regional Grape Grower Associations***

The following grape grower associations' function in the region. More information can be obtained from the Board or via direct contact with their representatives.

The details of these meetings are regularly sent to growers via sms text messaging service. Growers wishing to learn more about this service or to register to get the messages should contact the Board office.

### **Hanwood Grape Growers' Association**

#### ***Postal Address***

PO Box 321  
HANWOOD NSW 2680

#### ***Contact Details***

Chairman Lance Hicken 6963 0418  
Meetings are held at the Hanwood Catholic Club at varying times through each year.

### **Yenda Grape Growers' Association**

#### ***Postal Address***

PO Box 350  
YENDA NSW 2680

#### ***Contact Details***

Chairman Pascal Guertin 0427 635 343  
Meetings are held at the Yenda Diggers Club and notices of meetings are placed at the club.

## ***Research and Development Report***

### **Report by Industry Development Officer**

#### **Kristy Bartrop**

The Research, Development & Extension activities in 2009 covered many projects by the R&D staff to assist growers with their vineyard operations. The R&D program includes extension projects and research projects. The extension projects involve developing and communicating information from research and company projects in a manner for growers to interpret and use. Research projects generally include tasks at the data collection level. The following report outlines WGMB inputs into each area.

#### ***GWRDC Grassroots Regional Extension projects***

The Grape and Wine Research and Development Corporation (GWRDC) have designed a new funding structure for the implementation of extension projects around Australia. The Riverina has been allocated \$125,000 for 3 years to implement extension projects in the Riverina, commencing in August 2009. The current projects have been designed as a result of the liaison with the regions grape growing and wine making representatives to determine the specific needs for regional extension.

The 2009/10 project plan encompasses the delivery of the irrigation conversion trial outcomes, a vine balance and nutrition workshop, clonal evaluation of wine grape varieties, disease identification and management tools, veraison to harvest growers guide development, post harvest vineyard management workshop, fact sheet development, and Vine-Biz vineyard profitability training.

#### ***GWRDC 'Water & Vine-Managing the challenge' workshops***

The Grape and Wine Research and Development Corporation (GWRDC) developed a series of workshops to inform growers and innovator groups of water use efficiency research outcomes. The drought programme is designed to equip irrigated wine grape growers in the Murray Darling Basin with the knowledge and tools to survive the current growing season and beyond.

This program returned to the region on the 26<sup>th</sup> November 2009, where selected modules of the program were presented to Riverina growers at the Gemini Hotel in Griffith. This informative seminar targeted key issues of concern for growers, including soil health, wine grape nutrition and use of fertilisers, rootstock selection, and bunch exposure management. A series of resources were developed to support the seminars and these continue to be available from the Wine Grapes Marketing Board offices.

#### ***LBAM Grower Monitoring Program***

The Board together with the National Wine and Grape Industry Centre (NWGIC) viticulture entomologist, Dr Andrew Loch, continue to facilitate for growers a monitoring program to help increase awareness and understanding of the damaging affects caused by the Light Brown Apple Moth (LBAM). This pest can cause large losses of fruit due to secondary problems enabling bunch rots to develop. The key periods for monitoring and potential control during the growing season are known to be in late October, early November and late December.

The monitoring program informs growers of the critical times when moth flights occur. By knowing this information, growers can apply control products at the most effective times, and target the early stages of larvae development. In the 2010/11 season growers can be involved in the monitoring program to benefit themselves and the wider grower community to help limit the impact of this pest across the region. LBAM monitoring kits are available at the Board office and will continue to be provided to growers that are willing to participate in this research.

#### ***Vine Borer Research***

Research on vine borer moth by Dr Andrew Loch at the NWGIC has focused on documenting the biology of the pest in Riverina wine grapes and testing different

management approaches. Research has shown that the native moth borer undergoes one annual generation. Adult moths emerge mainly in November and December, mate and lay tiny white eggs on the bark and fissures near the base of shoots. These eggs hatch and the larvae bore into the bark, wood, dormant buds and even developing berries. Larvae have a long development and feeding time of approximately 9-10 months before pupating in spring. Larvae bore into the heartwood of spurs and cordons, but the main damage they cause is by feeding on the living sapwood leading to girdling of spurs, reductions in shoot length and fruit yields, and even death of buds and shoots. A preliminary trial to quantify the impact of this pest on vine growth and productivity has shown that shoot length and yield reductions of around 45% are observed in infested vines.

The behaviour of vine borer moth larvae where they feed on the living outer sapwood indicated that insecticides may be effective if they are sprayed during vine dormancy when larvae were actively feeding. An insecticide field trial conducted in July/August 2009 at an infested Merlot vineyard at Yenda demonstrated that some insecticides can provide complete control of the pest whereas other insecticides reported as little as 10% mortality of moth larvae. Research has also focused on softer biological solutions to the problem. A separate field trial tested the efficacy of entomopathogenic (insect eating) nematodes but only very low rates (<10%) of control were recorded. Similarly, a field trial testing the efficacy of parasitic *Trichogramma* wasps, which attack eggs of moths like vine borer moth and Light Brown Apple Moth, had no measurable impact on the vine borer moth population.

#### ***Plant health assessments***

Vine health assessments are being conducted in conjunction with Dr Melanie Weckert from NWGIC. Any growers that are concerned with the vigour of their vines can request for samples to be collected and sent for analysis. For a minimal fee, growers receive a laboratory analysis report that details the disease present in the vines. This information is followed up with assistance for the NWGIC to treat the disease detected.

#### ***Natural Disaster Assessments and Assistance***

The 2009/10 growing season saw natural disaster issues with hail storm damage spread across the district which impacted some regions significantly. The most significant damage reported was caused in the hail storm that hit Leeton and Yenda on the 26<sup>th</sup> November 2009. This event was declared a natural disaster and growers affected are eligible to apply for financial assistance from the Rural Assistance Authority.

#### ***NSWWIA R&D Committee***

WGMB along with many key industry representatives from the Riverina and other NSW growing regions meet twice per year to decide on key research priorities for the NSW wine industry. Riverina growers were surveyed at the Strategic plan and Budget meeting in November to determine the priorities from this region. This information has been provided to the NSWWIA R&D Executive Officer and will contribute to discussions being held to determine the allocation of funding for extension priorities throughout NSW.

The research priorities cover both viticulture and winemaking items, with 15 areas in viticulture currently being investigated through the NWGIC Winegrowing Futures program and many leading industry institutions.

#### ***Riverina Field Days***

The Wine Grapes Marketing Board has proudly been the major sponsor of the Riverina Field Days since 2007. The WGMB again hosted a major marquee in 2009 filled with exhibitors with links to the viticulture industry to benefit growers' needs. This year grower information seminars were held throughout the event to add value for visiting growers. All growers are encouraged to support these events and suggest items to encompass at future field day events.

#### ***Vineyard GIS Mapping Database***

The Board purchased a satellite image update in March 2008 that provided up to date imagery for our farm map database. The details were then confirmed throughout subsequent meetings with growers to ensure accuracy. Property plans generated from the system are a valuable resource for both the Board and the land holder. All growers are urged to contact the Board should they change planting details or irrigation types to maintain the integrity of the database.

#### ***Vintage Grape Analysis Laboratory***

The Wine Grapes Marketing Board vintage grape analysis laboratory continued its service to growers for the 2009 vintage. The Board undertook analysis for a range of customers; Riverina growers, local wineries, and out-of-area growers. The laboratory continues to run as a free service for all levy paying growers. Any non-levy paying parties wishing to use the service are charged a fee-for-service which assists in funding the capacity.

#### ***WGMB HACCP for Vineyards Program***

The WGMB HACCP food safety program continues to be a successful program that enables growers to meet the food safety requirements of local wineries. This program has been in operation since 2002 and has 260 growers involved for the current growing season. The user-friendly program meets the needs of processors for on-farm food safety record keeping. Growers needing to

implement food safety programs on their vineyards can contact the Board office for further details and training options.

### ***WGMB Seasonal Report & Weather Grower information service***

The Board's weather information service provides growers with weekly reports of experienced weather conditions and local forecast information to assist with management decisions in the vineyard related particularly to pest and disease control and irrigation management. This service is available to all constituted growers and the information is sent out during the season via fax and email service. The system also helps the Board provide growers with important notices on events and news coming up in the industry.

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**PLEASE TAKE THE TIME TO READ THE MINUTES  
BELOW OF THE PREVIOUS ANNUAL GENERAL  
MEETING OF THE BOARD.**

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## **Riverina - Wine Grapes Marketing Board 2008 Annual General Meeting Minutes of the Meeting held 25<sup>th</sup> June 2009 commencing at 8:00 PM Yoogali Catholic Club, Yoogali NSW 2680**

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### **1. Present**

**Eligible Growers (36 + 3 partners):** Bruno Altin, Armando Armanini, Steven Barbon, Gary Bugno, Alan Cornale, Peter Cremasco, Joe D'Aquino, John & Kirsten Dal Broi, Harley Delves, Andrew Desprez, Daniel Favero, Livio Forner, Phillip Garofalo, Anthony Gulloni, Lance Hicken, Leo Ippoliti, Joe Maugeri, Laurence Minato, Vince Monteleone, Luigi Panazzolo, Lorenzo Pellizzer, Gaetano Previtera, Adrian Raccanello, Peter Raccanello, Louis Raccanello, David Rossetto, Paul Rossetto, Gurdawar Singh, John Strano, Angelo Sartor, Giulio Toscan, Ernesto & Virginia Tropeano, John & Anthony Vitucci, Raymond Zahra, Allan Zalunardo, John Zandona.

**Board Staff:** Brian Simpson (CEO), Kristy Bartrop (IDO), John-Ross Wood (TO).

**Board Members:** Eric Berton, Louis Dal Nevo, Anthony Baggio (Acting Chairman), Pascal Guertin.

**Invited Guests:** Andrew Gregson (NSW Irrigators Council), Bryan Currie (Vice President - Riverina Winemakers Association).

**Members of the Public:** Jeremy Cass (DeBortoli Wines), David Heffer (Murrumbidgee Irrigation), Bill Calabria (Westend Estate), Phillip Alvaro (Solicitor).

**Apologies:** Bruno Brombal Chairman (overseas), Robert Bellato (Deputy Chair), Mark Bonetti, Bernie

Connellan, Tony Cristofaro, Sam Ciccia, Michael Ciccia, Len Gullotta, John J Dal Broi, Rodney Zuccato (Board Member).

### **2. Minutes of previous AGM**

Copies of the minutes had been included in the Annual Report for 2008.

*That the minutes be accepted as a true and accurate record of 26 June 2008 meeting -*

**MOVED:** *Danny Favero*

**SECONDED:** *John Strano* **CARRIED**

### **3. Business Arising from the Minutes**

No business was raised from the previous minutes.

### **4. Chairman's Report -**

#### **Tony Baggio (Acting Chair)**

The final tonnage figures provided to the Board for this vintage (is still not finalised as the Board has been forced to take legal action to obtain outstanding reports from a local processor) However based on this winery's purchasing history it is unlikely that the region will have produced greater than 300,000 tonnes. This is short of the figure reported to the Board from the Riverina Winemakers Association. Double counting is believed to be the cause of the wrong reports. In past years wineries would provide weekly reports to the Board for collation into a regional report, this year they declined to do so stating that they could do it more accurately than the Board, we now know this is not the case.

The Board acknowledges that this season was extremely difficult in terms of grape prices and is currently drafting suggestions to be forwarded to the Riverina Winemakers Association in relation to capping of production to overcome the problems of oversupply that is impacting on the industry. However, if wineries cap tonnes they need to consider paying a reasonable price per hectare to make sure that growers are not going to be forced from the industry as surely that is not the intent of their actions? Under caps it would be necessary for growers to leave fruit on the vines or dump it to the ground where possible and not look to sell this at low prices as was the case this season. The Board received a number of calls from concerned growers and wineries that growers were offering winegrapes at prices as low as \$50 per tonne this season.

During the season the Board wrote to DeBortoli Wines and Berton Wines in relation to grape price concerns. While DeBortoli's responded advising that it was pricing it's purchases according to their assessment of market conditions, Berton Vineyards did not respond at all. Berton Vineyards obviously had no answer to why they

priced their grapes so low. However that said if one winery is paying low and growers are delivering it figures that others would look to follow suit.

I also need to report to members that the Board has commenced legal action against a winery in South Australia that purchased winegrapes and had these processed at Terrel Estate. This winery has yet to pay the growers for their 2009 deliveries.

This season the Board has been busy managing the liaison with the NSW Roads and Traffic Authority, we met with the Minister and senior staff members to discuss the impacts of growers being forced to complete work diaries for daily travel of heavy vehicles. Fortunately other industries were in the same position and the Minister will now place an exemption on the keeping of work diaries for vehicles engaged in primary production activities. Please note that if you intend to use for vehicle for other purposes you will need to keep a relevant diary, these growers should call into the RTA offices.

As the next season approaches growers would like to have some level of understanding of where the market will be for winegrapes. Unfortunately while a high level of stock still exists in the system it is very difficult to determine what upward movement (if any) to grape prices will occur. This region should again have a reasonable allocation of water and trade over the past years has been able to give growers some financial comfort. In average terms this region as a net seller of water has an advantage over the other major inland regions, many growers here sell water as a source of income while the growers in those region need to purchase water annually in order to produce a crop.

The Riverina is still increasing its production annually whereas they are reducing their tonnes. We sell almost all of our grapes when the Riverland left 50,000 tonnes and the Murray Valley 30,000 tonnes on the vines this season. Surely this competitive advantage that we have will benefit this region in the longer term.

As I drive through the region I still see winegrapes being planted. This is concerning as the industry has oversupply issues. Any grower that has planted grapes should only do so with a written supply contract, preferably with a price.

I urge growers to stay positive through these difficult times, look at ways to reduce your costs and if you have a home for your grapes I hope the winery are going to look after you as well. Many growers over the past years have been receiving lower than desirable returns per hectare and growers should try at all times to look for a contract that offers a reasonable price and not just a

place to supply, although in such difficult times, having a home is better than not being able to place your grapes at all.

On a positive note I should advise growers that given the high tonnes produced in the region the Board will be looking toward returning a levy to growers again this year. The region is now bearing from approximately 22,000 hectares and we all know that the region is now capable of producing far greater tonnes than the 300,000 tonnes produced this season.

The Board will continue to take your views and work toward a better future for growers in the region.

*That the Chairman's reported be accepted -*

**MOVED:** *Tony Baggio*

**SECONDED:** *Peter Cremasco* **CARRIED**

## 5. General Business

### *5.1 Financial Report and 2009 Production update - Brian Simpson CEO*

The CEO provided growers with an overview of the financial position of the Board at the end of December 2008 as presented in the Annual Report 2008. Revenue was down on 2007 by \$10,000 and expenditure was up by \$65,000. The CEO asked that the growers accept the Financial Report as presented in the Annual Report

*That the Financial Report for 2008 be accepted -*

**MOVED:** *Leo Ippoliti*

**SECONDED:** *Bruno Altin* **CARRIED**

The CEO advised that given the increase in income over the budget allowance for 2009 the Board would again look to return fees and charges to growers, after the final payment had been received.

The return would be approximately \$1.50 per tonne on the fees charged.

The final tones figures for the region were 299,061 tonnes (297,559 tonnes in 2008), 251,395 tonnes growers and 47,665 tonnes of winery grown winegrapes. White winegrape varieties accounted for 55% of production, red varieties 45%.

Growers asked the CEO why the regional tonnes reports provided by wineries were not correct. It was assumed due to a number of wineries having their own winegrapes processed that other wineries and both wineries were reporting these.

Other growers discussed the merits of capping tonnes in the vineyard and that wineries should police the tonnes harvested from individual vineyards. The CEO advised that policing came at a cost to wineries and ultimately did not prevent growers from moving fruit to other wineries.



## **5.2 Guest Speaker – Mr Andrew Gregson CEO NSW Irrigators Council**

Andrew gave all growers a complete overview of the issues affecting the state in relation to water resources and the NSW Government management of these.

The department of water management was being moved by the State government to be contained in the Department of Environment. This move would be a massive conflict of interest according to NSWIC with the Environment Department a large holder of NSW irrigation entitlement. Assurances from the NSW Premier to NSWIC have stated that the management of water whilst under the Department of the Environment would be via a commission.

The NSWIC has also secured funding via grants to look at training for younger irrigators in NSW.

The growers were advised of the formation of the National Irrigators Council and the role that NSWIC had in this.

## **5.3 Research and Development Update - Kristy Bartrop Industry Development Officer**

Growers were provided with a complete overview of the Research and Development program of the Board and the extension activities that have occurred over the past 12 months:

Managing the GWRDC Water and Vine workshop programs; LBAM and weather monitoring program; vine borer research support; plant health assessments; natural disaster assessment and assistance; GIS updating; Riverina Field Day; HACCP Audits; spray diary development; fruit fly issues; vintage laboratory operations.

Kristy gave an overview of the GWRDC funded Grassroots program. The GWRDC are going to provide the region \$125,000 per year for three years in relation to extension activities. The Board had development a submission based on the following activities:

1. Irrigation Conversion management
2. Vine balance and performance
3. Evaluation of performance of clonal material
4. New pest and disease threats in region and spray selection and application
5. Vineyard management from veraison of harvest
6. Post harvest vineyard management
7. Riverina Fact sheet development
8. Vineyard profitability

One grower questioned that the Board should become involved in providing training for off-farm investing activities. Another believed that the money should not

be taken as the extension activities would not provide value. Neither of these opinions received support from the growers at the meeting.

One interested person believed that the extension that the Board was looking at undertaking relating to vine clonal evaluation was flawed and the Board should liaise with other vine improvement agencies to discover what they had already done.

## **6. Other Business**

### **6.1 Financial Planning**

Paul Rossetto asked the Board to look at training growers in the area of financial planning for off farm investment. Growers could mortgage their vineyards and put this money into the share market. He advised that it was possible that growers in a falling market could make around 20-30% return on investment.

The Board should use the funding from the GWRDC to train growers into managing money and off farm investments.

The CEO advised there were numerous financial planners available that growers could speak with to obtain financial advice and that many growers may in fact be risk averse and not prepared to leverage their properties in the share markets. He would take this matter to the Board at its next meeting and report back to growers at the December Strategic Planning and Budget Meeting.

### **6.2 Young Grower Development**

Growers advised that they would like to see more opportunities for young growers to be developed within the industry. The CEO advised that the Board would look at this matter and report back to growers. It would be up to the more senior growers and fathers of young growers to encourage the youth to come forward and attend any training and development opportunities.

**Being no further business, the meeting was declared closed at 10:00pm.**

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## ***NSW Wine Industry Association*** **Report by President David Lowe**

### ***GWRDC grass roots funding model***

Funding has been allocated in two parts - \$125,000 for Riverina and \$50,000 for the rest of NSW. This funding is to replace the former RITA model. The R & D committee headed by Richard Hilder is still working through this at the moment to obtain the best value for the levy payers but it does appear that it will provide visibility to the concerns of this State about levy money and its destination.

### ***Licensing***

After the reforms undertaken by the State Government last year and the anecdotal evidence that winemakers are happy with the reforms to allow over the counter sales, charging for tasting and the process of license application, it appears that for the time being activities are thankfully reduced.

### ***Promotions***

A successful Sydney Cellar Door event in Hyde Park in March with good weather and a solid financial result. Tiffany Nugan has lead the Wine Strategy team who are doing an exceptional job.

### ***NWGIC (National Wine and Grape Industry Centre)***

The association continues to be involved in the activities of the winegrowing futures and the program is running to its timetable of the 5 themes. We welcome the appointment of Dr Jim Hardie as Director and also acknowledge the help of Dr Ron Hutton as acting Director during the time of Thomas Henick-Kling's departure.

The new experimental winery was opened by the Minister of DPI in July and we are hopeful that the postponed capital works are undertaken next year. The extension priorities so important to the role of the NWGIC will be administered by Duncan Farquhar in the form of a Spring Field days program.

### ***Wine Grape Growers Australia (WGGA)***

NSW is the only state based organisation that includes vineyard owners and operators in its activities which we believe is vital to the cohesion of the industry. WGGA is represented by growers in the Riverina represented by Bob Bellato and one other from the other regions represented by Justin Jarrett of Orange.

This new organisation is highly valued by the Executive and the problems they face in the future structure now depend on vineyard regions in other states accepting that there needs to be open dialogue and cooperation if we are to succeed in rationalisation of the many industry bodies conducted at the national level.

### ***NSW Wine Uncovered***

This was released in August 2009 as an insert with the Sunday Telegraph, jointly undertaken by News Limited, NSW State Government and NSWWIA. The NSWWIA's investment was via the Association's Wine Strategy Committee in time and content, and a guaranteeing of listings and fees. We now have major projects ongoing with both major media companies and it is a credit to Tiffany Nugan and her group we are doing all we can to make aware of the importance of supporting our local industry.

### ***Finances***

The membership review should provide more equitable funding, and with our promotion activities assisted by DPI and DSRD the Association is on a sound financial footing. The Executive team in my view has achieved much and conducted themselves with the interests of the State, the regions and the national wine industry as its priority. Thank very much for your volunteer work and great input.

I would like to single out Chris Barnes who will retire from the Executive this year after fifteen years involvement in the Association, including Chair of the Licensing Committee and 6 years as President and 4 years as deputy. All of us should congratulate him for his outstanding effort for the NSW wine industry.

The Association seeks to represent all players and will do so with continued support from growers, regions and winemakers. The executive functions well because of the support from these three tiers.



## **About the National Irrigators' Council**

### **Report by Danny O'Brien Chief Executive Officer**

The National Irrigators' Council is the national peak body for irrigators and seeks to be the voice for all irrigators across Australia. The NIC was formally constituted in July 2008 following a detailed development process involving representative groups from around the nation.

Part of the impetus for the NIC's formation was the increasing role of the Commonwealth in water management, not just in the Murray Darling Basin, but

also in a range of issues such as environment, taxation, regulation and agricultural policy. NIC has members from outside the Basin and aims to tackle all issues that affect irrigators on a national scale.

The Constitution of the NIC states that its objective is:

*To develop projects and policies to ensure the efficiency, viability and sustainability of Australian irrigated agriculture and the security and reliability of water entitlements and to promote those projects and policies with a view to having them adopted or ratified by governments, statutory authorities and other groups and organisations.*

Policy is set by full meetings of the council which are held (at least) three times a year. The NIC is governed by a board with the day to day administration handled by the CEO. Generally NIC will tackle issues of a national or significant regional scale, but will also assist members with local or state issues that have wider ramifications for all irrigators.

Since the appointment of a permanent CEO in July 2009, the NIC has played an active role in the water debate, undertaking consultation with senior Commonwealth Ministers (Wong and Burke), other relevant MPs and Senators (Parliamentary Secretary Mike Kelly, Shadow Water Minister Ian Macfarlane, Shadow Agriculture Minister John Cobb etc) and their advisers (including the Prime Ministers' office).

NIC has also closely engaged with the relevant sections of the bureaucracy – the Department of Environment, Water, Heritage and the Arts (DEWHA), the Murray Darling Basin Authority and its chair Mike Taylor, the National Water Commission and the Department of Agriculture, Fisheries and Forestry (DAFF).

NIC has made at least 10 submissions to key water matters including those undertaken by the MDBA, ACCC, Productivity Commission and a Senate committee.

We have also played an active role in the media on behalf of irrigators.

In 2010, key issues for NIC will include the development of the MDB Basin Plan and its new Sustainable Diversion Limits (SDLs), clarifying risk assignment to ensure irrigators' property rights are protected and compensation is paid in the event they are diminished and ensuring irrigators' voice is heard as the water debate heats up.

NIC has been formed to unite irrigators under a single banner, recognising that united we stand, divided we fall.



### By Andrew Gregson Chief Executive Officer

NSW Irrigators Council is the peak body representing Water Access License holders across the State. The Council represents irrigators both inside and outside the Basin right across the commodity spectrum using both high and general security water and groundwater.

A key factor in the formation of the Council some 26 years ago was the recognition of water as a key input to irrigated agriculture and the protection of that input through recognition of a property right. That issue remains a key even today. Whilst recognition has occurred – through the issuing of licenses – and NSW has led the way in formalising resource sharing mechanisms, significant variables still exist for irrigators across the state when calculating reliability of supply. Irrigators accept that variation will occur due to climate variability – and possibly climate change – but the variation caused by policy decisions at both a State and Commonwealth level are a massive challenge.

The largest single variable for irrigators in the Basin at present is the Sustainable Diversion Limit that will be set by the Basin Plan (being developed by the Murray-Darling Basin Authority). The whole process is underpinned by Water Act (2007), which was drawn in a political landscape vastly different to that which now exists. At the time, the Commonwealth did not have a referral of powers from the States which forced them to move unilaterally. That move then had to be underpinned by Constitutional power that the Commonwealth had; the External Affairs power. The Treaty to which Australia is a signatory that has the greatest impact is the Ramsar Convention – a document solely devoted to protection of environmental assets.

The result of this is that we have a Water Act that has stated objects of equal consideration for social, economic and environmental factors, but whose process is devoted solely to the latter of these. In short, the entire process favours environment over all else, making the forthcoming Basin Plan a potentially disastrous variable for irrigators and the communities within which they exist.



## Wine Grape Growers' Australia

### RIVERINA GROWER PROJECTS 2009 REPORT FOR WINE GRAPES MARKETING BOARD

By Mark McKenzie Executive Director

The Riverina Wine Grapes Marketing Board engaged Wine Grape Growers Australia (WGGA) to manage a number of national projects of benefit to Riverina wine grape growers during 2009.

#### Management of the Australian Wine Industry Code Of Conduct

WGGA co-developed and launched (December 2008) the voluntary Australian Wine Industry Code Of Conduct in collaboration with the Winemakers Federation Of Australia as a means of codifying the minimum content of wine grape supply agreements and the establishment of a common dispute resolution system within the wine industry. While applicable to the whole industry, the Code is particularly relevant to Riverina growers due to a history of more limited use of written contracts. Specifically, WGGA has provided the following Code management services:

- The establishment and co-funding of the independent Code Administration Committee and Code Secretariat.
- Establishment of a joint WGGA / WFA Code Management Committee to provide ongoing consideration of matters pertaining to the Code, including issues for review referred by the Code Administration Committee.
- Marketing of the Code to wine producers to encourage extension of signatories.
- Promotion of the Code within the wine grape sector.

#### Plant Health Australia Bio-Security Liaison

WGGA has assumed the role of the liaison with Plant Health Australia on behalf of the entire Australian wine industry as both a sector Member of PHA and a signatory on behalf of vineyard owners to the Emergency Plant Pest Response Deed – ensuring that wine grape growers are both engaged in bio-security planning and management of vine specific pests, and have access to compensation in the event of a plant pest incursion that requires the destruction of vineyards. During 2009 WGGA undertook a number of specific initiatives with PHA:

- Engagement through the PHA Industry Liaison meetings on a twice a year basis – including input into the National Plant Health Strategy and National Fruit Fly Strategy, a number of changes to the EPPRD, and Government briefings on the new Commonwealth Biosecurity legislation.
- Review and update of the National Vineyard Biosecurity Plan.
- Media communications on the biosecurity threat of abandoned vineyards.
- Classification meetings regarding the status of identified exotic vineyard pests.

#### Management Of Research, Development & Extension Priorities

WGGA fed Riverina grower input into a range of R,D&E priority setting and directional activities during the year:

- Regular liaison with the Grape and Wine Research & Development Corporation on R,D & E investment and priorities via the GWRDC Executive Director, Chairman and Board, including attendance at a number of industry forums; review of the GWRDC 5 Year Strategy; and liaison via the GWRDC Innovators Network.
- Steering Committee Membership of the Water to Vine Program driven by GWRDC via provision of Commonwealth Funding specifically to assist vineyard owners in the Murray Darling Basin manage the effects of drought and climate change.
- Input into the Wine Industry R&D Framework.
- Membership of the National Wine Industry Extension Network.
- Input into the revised Wine Industry R&D Priorities and Investment Prospectus via Membership of the Strategic Directions Group.
- Input into national wine industry innovation policy via Membership of the joint WFA / WGGA Innovation Policy Committee.
- Liaison in viticulture research outcomes and project considerations with the Australian Wine Research Institute.

#### Provision Of VineBiz Training

WGGA rolled out its VineBiz Vineyard Financial Management Tools through the first of a series of VineBiz workshops for Riverina wine grape growers on September 9, 2009. Grower surveys indicated a high degree of satisfaction with the program and its application to improved financial management of vineyard businesses. Additional VineBiz program disks and grower guides have been supplied to WGMB technical support staff to allow ongoing grower access to the program and to support via the Board.



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDITOR'S REPORT

### Wine Grapes Marketing Board

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Wine Grapes Marketing Board (the Board), which comprises the statement of financial position as at 31 December 2009, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended on that date, a summary of significant accounting policies and other explanatory notes.

#### Auditor's Opinion

In my opinion, the financial statements:

- present fairly, in all material respects, the financial position of the Wine Grapes Marketing Board as at 31 December 2009, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

#### Board's Responsibility for the Financial Statements

The members of the Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Board,
- that it has carried out its activities effectively, efficiently and economically, or
- about the effectiveness of its internal controls.

### **Independence**

In conducting this audit, the Audit Office has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



Sally Bond  
Director, Financial Audit Services

19 April 2010  
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 the requirements 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 report exhibits a true and fair view of the financial position of the Wine Grapes Marketing Board as at 31 December 2009 and its transactions for the year then ended.
2. The report has been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, and the Public Finance and Audit Regulation 2005, and the Treasurer's directions.

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



Bruno Brombal  
Chairman



Robert Bellato  
Deputy Chairman

**Dated this day the 12 April 2010**

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

**STATEMENT OF COMPREHENSIVE INCOME**  
for the Year Ended 31 December 2009

31/12/08		Note	31/12/09
\$			\$
	<b>INCOME</b>		
116,780	Other Income	2	34,600
103,647	Interest		54,272
1,818	Grants	3	125,000
610,099	Fees and Charges on Growers	4/13	740,213
362	Gain on Sale of Assets		5,787
832,706	<b>TOTAL INCOME</b>		959,872
	<b>EXPENDITURE</b>		
13,500	Audit Fees		14,209
2,774	Bank Fees		1,037
53,582	Board Fees & Allowances and Superannuation		53,535
81,228	Consultancy Fees		26,577
36,007	Depreciation		39,990
(592)	Fringe Benefits Tax		2,880
185,875	Other Administration Expenses	5	172,847
77	Promotion		690
292,709	Salaries, Wages & Superannuation		256,485
26,580	Subscriptions		76,235
13,447	Travelling expenses		27,340
2,301	Employees Leave Entitlements		7,133
2,286	Loss on Sale of Assets		-
-	Provision for Doubtful Debts		6,186
709,774	<b>TOTAL EXPENDITURE</b>		685,144
122,932	<b>SURPLUS FOR THE PERIOD</b>		274,728

The Statement of Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial report.



**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 2009

<b>31/12/08</b>	<b>CURRENT ASSETS</b>	<b>Note</b>	<b>31/12/09</b>
<b>\$</b>			<b>\$</b>
1,349,835	Cash & Cash Equivalents	6	1,032,282
30,806	Trade and Other Receivables	7	40,059
12,459	Other Assets	8	12,498
-	Investments	8(a)	600,000
1,393,100	<b>Total Current Assets</b>		1,684,839
	<b>NON-CURRENT ASSETS</b>		
746,439	Property, Plant & Equipment	9	738,895
746,439	<b>Total Non-Current Assets</b>		738,895
2,139,539	<b>TOTAL ASSETS</b>		2,423,734
	<b>CURRENT LIABILITIES</b>		
38,873	Trade and Other Payables	10	41,207
15,138	Employee Benefits	11	20,063
54,011	<b>Total Current Liabilities</b>		61,270
	<b>NON-CURRENT LIABILITIES</b>		
15,723	Employee Benefits	11	17,931
15,723	<b>Total Non-Current Liabilities</b>		17,931
69,734	<b>TOTAL LIABILITIES</b>		79,201
2,069,805	<b>NET ASSETS</b>		2,344,533
	<b>EQUITY</b>		
191,400	Reserves	12	191,400
1,878,405	Retained Earnings	12	2,153,133
2,069,805	<b>TOTAL EQUITY</b>		2,344,533

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

**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 2009

<b>31/12/08</b>		<b>Note</b>	<b>31/12/09</b>
<b>\$</b>			<b>\$</b>
	<b>RESERVES</b>		
	Asset Revaluation Reserve		
191,400	Balance on 1 January		191,400
<u>191,400</u>	Balance on 31 December		<u>191,400</u>
	<b>RETAINED EARNINGS</b>		
1,755,473	Balance on 1 January		1,878,405
122,932	Surplus for the year	12	274,728
<u>1,878,405</u>	Balance on 31 December		<u>2,153,133</u>
<u><u>2,069,805</u></u>	<b>TOTAL EQUITY</b>		<u><u>2,344,533</u></u>

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

**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 2009

<b>31/12/08</b>		<b>Note</b>	<b>31/12/09</b>
<b>Inflows</b>			<b>Inflows</b>
<b>(Outflows)</b>			<b>(Outflows)</b>
<b>\$</b>			<b>\$</b>
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	<b>RECEIPTS</b>		
2,213,433	Wineries & Growers		1,509,134
2,000	Grants Received		137,500
92,895	Interest Received		54,272
134,490	Other		24,854
<hr/>			<hr/>
2,442,818	<b>PAYMENTS</b>		1,725,760
(349,562)	Employee Benefits		(316,665)
(342,919)	Payments to Suppliers		(337,253)
(1,607,312)	Payments to Growers		(762,735)
<hr/>			<hr/>
(2,299,793)			(1,416,653)
	<b>NET CASH PROVIDED BY OPERATING</b>		
<hr/>	<b>ACTIVITIES</b>	14	<hr/>
143,025			309,107
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
24,491	Proceeds from Sale of Fixed Assets		54,591
(72,484)	Payments for Property, Plant & Equipment		(81,251)
-	Payments for Investments		(600,000)
<hr/>			<hr/>
(47,993)	<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(626,660)
	<b>NET INCREASE/(DECREASE) IN CASH AND CASH</b>		
	<b>EQUIVALENTS</b>		
95,032			(317,553)
<hr/>			<hr/>
1,254,803	Cash & cash equivalents at 1 January		1,349,835
<hr/>			<hr/>
1,349,835	Cash & cash equivalents at 31 December	6	1,032,282
<hr/>			<hr/>

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

**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 REPORT**  
**for the year ended 31 December 2009**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial report was authorised for issue by the Board on 12 April 2010.

**Statement of Compliance**

The financial report is a general purpose financial report and has 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 report is 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 report has 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 a financial report 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 these estimates. These accounting policies have been consistently applied by the Wine Grapes Marketing Board.

**Basis of Preparation (continued)**

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.

**(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. The property was valued by John Carbone, AAPI Certified Practising Valuer on 30 November 2007 on the basis of current market value.

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.

**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 REPORT**  
**for the year ended 31 December 2009 (continued)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Depreciation**

Depreciation is charged to the income statement 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	25%
Office Equipment	11.25% - 25%
Computer Equipment	20% - 33%

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 9.

**(b) Financial Instruments**

Financial instruments are initially recognised at cost, including transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition financial instruments are measured as set out below:

**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 are not considered impaired.

**(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. Collectibility 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 income statement, unless an asset has been previously revalued, in which case the impairment loss is recognised as a reversal to the extent that previous revaluation with any excess recognised through profit or loss.

**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 REPORT**  
**for the year ended 31 December 2009 (continued)**

**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**

Revenue from the sale of goods is recognised in the income statement when significant risks and rewards of ownership have been transferred to the buyer. 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. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, or the costs incurred or to be incurred cannot be measured reliably.

**Interest**

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

**Other revenue**

Other revenue is recognised by the Board when it is probable that the economic benefits associated with the transaction will flow to the Board. Revenue is measured at the fair value of consideration or contributions received or receivable.

**(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 REPORT**  
for the year ended 31 December 2009 (continued)

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(k) Accounting Standards Issued but not yet Effective**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2009 reporting periods. The company's assessment of the impact of relevant standards and interpretations are set out below:

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date to Company
AASB 2009-11 Amendments	AASB 9 - Financial Instruments	Standard addresses the classification and measurement of financial assets. Is unlikely to have a significant effect on the company.	01/01/2013	31/12/2013
AASB 2009-12 Amendments	AASB 124 - Related Party Disclosures	Amendment clarifies and simplifies the definition of a related party. Is unlikely to have a significant impact on the company.	01/01/2011	31/12/2011
AASB 2009 -5 Amendments arising from second annual improvements project.	Various Standards	There are 15 amendments affecting 12 standards. Amendments do not change meaning of standard. Is unlikely to have a significant impact on the company.	01/01/2010	31/12/2010
AASB 2009 -5 Editorial amendments to various accounting standard	Various Standards	Amendment corrects editorial errors in previous amendments. Is unlikely to have significant impact on the company.	01/01/2010	31/12/2010

**(l) Board Activities**

The Board is not involved in the buying of wine grapes from growers and the selling of these grapes to winemakers. The Wine Grapes Marketing Board (Reconstitution) Act 2003 requires that wineries make payment for purchases from non-complying contracted growers and all spot market purchases as directed by the Board. The Board directs these wineries to apply to the Board for the ability to make payments directly to growers, provided Board fees and charges are deducted from the growers' payment and forwarded to the Board as per the provisions in the Act. One winery paid through the Board this financial year. This is shown in the Statement of Cash Flows as winery receipts. See Note 13.

Board fees and charges are deducted from payments made to growers. Payment dates are set by the Board in accordance with the Wine Grapes Marketing Board (Terms and Conditions of Payment) Order 2005 under the Act.

**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 REPORT**  
for the year ended 31 December 2009 (continued)

**NOTE 2: OTHER INCOME**

<b>31/12/08</b>		<b>31/12/09</b>
\$		\$
5,333	Advertising	2,994
4,568	Fees & Charges	7,044
3,098	Reimbursements	12,566
103,781	Sales	11,996
<u>116,780</u>		<u>34,600</u>

**NOTE 3: RESTRICTED FUNDS - RESEARCH FUND**

In 2008 the Board applied to the Australian Wine & Brandy Corporation for funding of its Utilisation and Pricing Survey (this survey was not conducted in 2009). In 2009 the Board applied to the Grape and Wine Research and Development Corporation (GWRDC) for funding of its regional Grassroots extension program and was successful in obtaining 100% of the available regional grant funds. The transactions for the year ended 31 December 2009 and the financial position at 2009 year end are detailed below:

<b>31/12/08</b>		<b>31/12/09</b>
\$		\$
	- Balance on 1 January	1,818
1,818	AWBC Grant (Pricing Survey) 2008	-
	- GWRDC Regional Plan – Riverina 2009/10	125,000
<u>1,818</u>		<u>126,818</u>
	- AWBC Grant (Pricing Survey) 2008	1,818
	- Research Outlays	38,956
<u>1,818</u>	Balance at 31 December	<u>86,044</u>

**NOTE 4: FEES & CHARGES ON GROWERS**

For the 2009 vintage the fees and charges were \$3.90 per tonne (fresh weight of wine grapes) for the purpose of funding the grower approved budget, activities and services of the Board. Charges on growers represents the grower contribution to Board services and activities via the Statutory levy. In 2009 returned levies represented both fees and charges remitted by wineries from both non-constituted and constituted wine grape growers. The following table shows the fees and charges received and returned during the year:

<b>31/12/08</b>		<b>31/12/09</b>
\$		\$
992,324	Fees and charges paid by growers	994,109
(537)	Fees & charges returned to non-constituted growers	(694)
(381,688)	Fees & charges returned to constituted growers @ \$1.50 per tonne & non constituted growers	-
-	Fees & charges returned to constituted growers @ \$1.00 per tonne & non constituted growers	(253,202)
<u>610,099</u>	NET RECEIPTS (Fees and charges retained)	<u>740,213</u>



**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 REPORT**  
for the year ended 31 December 2009 (continued)

**NOTE 5: OTHER ADMINISTRATION EXPENSES**

Details of the components of this item are as follows:

<b>31/12/08</b>		<b>31/12/09</b>
\$		\$
9,285	Accountancy	7,663
43,934	Advertising, Printing & Stationery	41,376
49	Bad Debts	-
8,555	Computer Expenses	3,358
5,328	Conferences & Seminars	638
500	Donations	4,000
16,588	Industry Functions	12,787
14,671	Insurance	15,910
1,962	Legal Fees	7,521
11,873	Motor Vehicle Expenses	13,641
11,822	Office Expenses	10,071
19,063	Postage, Telephone & Facsimile	21,750
2,070	Rates	2,100
8,401	Research & Development Function	7,600
18,554	Research Project Payments	9,113
12,000	Sponsorship	11,750
282	Staff training	2,728
938	Sundry	841
<u>185,875</u>		<u>172,847</u>

**NOTE 6: CASH & CASH EQUIVALENTS**

<b>31/12/08</b>		<b>31/12/09</b>
\$		\$
94,128	Administration Account	249,374
37,394	Grower Payments Cheque Account	782,908
1,218,313	Term Deposit	-
<u>1,349,835</u>		<u>1,032,282</u>

**NOTE 7: TRADE AND OTHER RECEIVABLES**

Amounts owing to the Board at 31 December 2009 comprise:

<b>31/12/08</b>		<b>31/12/09</b>
\$		\$
4,915	Trade Debtors	25,397
6,987	GST Receivable	14,784
-	Provision for Doubtful Debts	(6,186)
18,904	Accrued Income	6,064
<u>30,806</u>		<u>40,059</u>

**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 REPORT**  
**for the year ended 31 December 2009 (continued)**

**NOTE 7: TRADE AND OTHER RECEIVABLES (continued)**

**Provision For Impairment of Receivables**

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is an objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item. Movement in the provision for impairment of receivables is as follows:

<b>31/12/08</b>	<b>31/12/09</b>
<b>\$</b>	<b>\$</b>
- Opening Balance	-
- Charge for the Year	6,186
- Provision for Doubtful Debts Raised	-
<u>-</u>	<u>6,186</u>

**NOTE 8: OTHER ASSETS**

<b>31/12/08</b>	<b>31/12/09</b>
<b>\$</b>	<b>\$</b>
12,459 Prepayments	12,498
<u>12,459</u>	<u>12,498</u>

**NOTE 8a: INVESTMENTS**

<b>31/12/08</b>	<b>31/12/09</b>
<b>\$</b>	<b>\$</b>
- Term deposit	600,000
<u>-</u>	<u>600,000</u>

**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 REPORT**  
for the year ended 31 December 2009 (continued)

**NOTE 9: PROPERTY, PLANT & EQUIPMENT**

<b>31/12/08</b>		<b>31/12/09</b>
<b>\$</b>		<b>\$</b>
	<b>Land &amp; Buildings</b>	
	Freehold Land at:	
320,000	- independent valuation 30 November 2007	320,000
<u>320,000</u>		<u>320,000</u>
	Buildings at:	
330,000	- independent valuation 30 November 2007	330,000
(9,500)	Less accumulated depreciation	(17,902)
<u>320,500</u>		<u>312,098</u>
<u>640,500</u>	<b>Total Land &amp; Buildings</b>	<u>632,098</u>
55,750	Office Equipment	53,902
(39,823)	Less: Accumulated Depreciation	(41,747)
<u>15,927</u>		<u>12,155</u>
89,689	Motor Vehicles	96,936
(16,754)	Less: Accumulated Depreciation	(12,666)
<u>72,935</u>		<u>84,270</u>
43,340	Computer Equipment	35,487
(33,516)	Less: Accumulated Depreciation	(31,069)
<u>9,824</u>		<u>4,418</u>
41,351	Research Equipment	42,501
(34,098)	Less: Accumulated Depreciation	(36,547)
<u>7,253</u>		<u>5,954</u>
<u>105,939</u>	<b>Total Plant &amp; Equipment</b>	<u>106,797</u>
<u>746,439</u>	<b>Total Property, Plant &amp; Equipment</b>	<u>738,895</u>

**MOVEMENT IN CARRYING AMOUNTS**

<b>WDV</b>	<b>Land &amp; Buildings</b> \$	<b>Research Equipment</b> \$	<b>Office Equipment</b> \$	<b>Motor Vehicle</b> \$	<b>Computer Equipment</b> \$	<b>Totals</b> \$
Balance at 1 January 2008	648,928	4,613	18,696	59,967	4,172	<b>736,376</b>
Acquisitions	-	9,366	1,364	51,478	10,276	<b>72,484</b>
Depreciation	(8,428)	(2,598)	(4,133)	(16,224)	(4,624)	<b>(36,007)</b>
Disposals	-	(4,128)	-	(22,286)	-	<b>(26,414)</b>
Revaluation increments/ decrements	-	-	-	-	-	-
Balance at 31 December 2008	640,500	7,253	15,927	72,935	9,824	<b>746,439</b>

**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 REPORT**  
for the year ended 31 December 2009 (continued)

**NOTE 9: PROPERTY, PLANT & EQUIPMENT (continued)**

WDV	Land & Buildings \$	Research Equipment \$	Office Equipment \$	Motor Vehicle \$	Computer Equipment \$	Totals \$
Balance at 1 January 2009	640,500	7,253	15,927	72,935	9,824	<b>746,439</b>
Acquisitions	-	1,150	206	78,499	1,396	<b>81,251</b>
Depreciation	(8,402)	(2,449)	(3,978)	(18,738)	(6,423)	<b>(39,990)</b>
Disposals	-	-	-	(48,426)	(379)	<b>(48,805)</b>
Revaluation increments/ decrements	-	-	-	-	-	-
Balance at 31 December 2009	632,098	5,954	12,155	84,270	4,418	<b>738,895</b>

**NOTE 10: TRADE AND OTHER PAYABLES**

31/12/08		31/12/09
\$		\$
12,561	Trade Creditors	13,787
6,145	PAYG Withholding	6,698
20,167	Accruals	20,722
38,873		41,207

**NOTE 11: EMPLOYEE BENEFITS**

**CURRENT**

31/12/08		31/12/09
\$		\$
15,138	Provision for Annual Leave	20,063
15,138		20,063

**NON-CURRENT**

31/12/08		31/12/09
\$		\$
15,723	Provision for Long Service Leave	17,931
15,723		17,931

**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 REPORT**  
for the year ended 31 December 2009 (continued)

**NOTE 12: EQUITY**

**RESERVES**

<b>31/12/08</b>		<b>31/12/09</b>
\$		\$
191,400	Opening balance	191,400
<u>191,400</u>		<u>191,400</u>

**RETAINED EARNINGS**

<b>31/12/08</b>		<b>31/12/09</b>
\$		\$
1,755,473	Retained earnings at the beginning of the financial year	1,878,405
122,932	Surplus for the period	274,728
<u>1,878,405</u>	Retained earnings at the end of the financial year	<u>2,153,133</u>

**Revaluation Reserve**

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

**NOTE 13: REMITTANCES RECEIVED FROM WINERIES**

The Board can direct wineries to pay growers directly provided certain conditions are met. The Board's legislation (Wine Grapes Marketing Board (Reconstitution) Act 2003) requires that all wineries make payment for purchases (not subject to complying contracts) as directed by the Board. The Board requests wineries apply to the Board for the ability to make payments directly to growers, provided all fees and charges are deducted from the growers' payment and forwarded to the Board as per the Act. One winery paid through the Board in 2009. In 2009 the Board by motion returned to all constituted growers an amount of \$1.00 per tonne. This is shown in the table below:

<b>31/12/08</b>		<b>31/12/09</b>
\$		\$
2,217,411	Winery/Grower Receipts	1,509,134
-	Provision for Doubtful Debts	(6,186)
(1,225,087)	Grower Payments	(508,839)
(382,225)	Levies Returned	(253,896)
<u>610,099</u>	NET RECEIPTS (Levies retained)	<u>740,213</u>

**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 REPORT**  
for the year ended 31 December 2009 (continued)

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

31/12/08 Inflows (Outflows)		31/12/09 Inflows (Outflows)
\$		\$
122,932	<b>OPERATING RESULT</b>	274,728
	Adjustments for:	
36,007	Depreciation	39,990
1,923	(Gain)/Loss on Sale of Assets	(5,787)
(508)	(Increase)/Decrease in Receivables	(22,092)
(10,752)	(Increase)/Decrease in Accrued Income	12,840
(828)	(Increase)/Decrease in Prepayments	(39)
(4,818)	Increase/(Decrease) in Payables	2,334
(931)	Increase/(Decrease) in Employee Entitlements	7,133
143,025	<b>Net Cash provided by operating activities</b>	309,107

**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:

2008	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	3.75%	131,522	-	-	-	-	131,522
Term Deposits	6.50%	-	1,218,313	-	-	-	1,218,313
Trade and Other Receivables	-	-	-	-	-	23,819	23,819
		131,522	1,218,313	-	-	23,819	1,373,654
Financial Liabilities							
Payables		-	-	-	-	38,873	38,873
	N/A	-	-	-	-	38,873	38,873

**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 REPORT**  
for the year ended 31 December 2009 (continued)

**NOTE 15: FINANCIAL INSTRUMENTS (continued)**

**(b) Interest Rate Risk (continued)**

2009	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	3.25%	1,032,282	-	-	-	-	1,032,282
Term Deposits	6.80%	-	600,000	-	-	-	600,000
Trade and Other Receivables	-	-	-	-	-	25,275	25,275
		1,032,282	600,000	-	-	25,275	1,657,557
Financial Liabilities							
Payables		-	-	-	-	41,207	41,207
	N/A	-	-	-	-	41,207	41,207

**(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 2008 \$	Fair Value 2008 \$	Carrying Amount 2009 \$	Fair Value 2009 \$
<b>Financial Assets</b>				
Cash and Cash Equivalents	1,349,835	1,349,835	1,032,282	1,032,282
Trade and other Receivables	23,819	23,819	25,275	25,275
Other Investments	-	-	600,000	600,000
<b>Financial Liabilities</b>				
Trade and other Payables	38,873	38,873	41,207	41,207

**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 REPORT**  
for the year ended 31 December 2009 (continued)

**NOTE 15: FINANCIAL INSTRUMENTS (continued)**

**(e) Estimation of Fair Values**

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

**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 were no capital or other operating expenditure commitments as at 31 December 2009.

**NOTE 17: CONTINGENT LIABILITIES**

The Board is not aware of any contingent liabilities as at the date of signing off the accounts.

**NOTE 18: SEGMENT REPORTING**

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

**NOTE 19: RELATED PARTY TRANSACTIONS**

During the 2009 Financial Year there were no related party transactions, other than Board Fees & Allowances. All Board members are grower elected members. All other business transactions undertaken between the Board and Board members are done so at arms length and under normal commercial arrangements.

**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.

<b>31/12/08</b>		<b>31/12/09</b>
\$		\$
151,041	Total Compensation – Short-Term Benefits	156,936
11,521	Total Compensation – Long-Term Benefits	11,566
162,562		168,502

**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.



**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 REPORT**  
**for the year ended 31 December 2009 (continued)**

**NOTE 21: FINANCIAL RISK MANAGEMENT (continued)**

**(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.

**(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:

<b>31/12/08</b>		<b>31/12/09</b>
\$		\$
	<b>Change in profit</b>	
13,498	Increase in interest rate by 1%	16,323
(13,498)	Decrease in interest rate by 1%	(16,323)

<b>31/12/08</b>		<b>31/12/09</b>
\$		\$
	<b>Change in equity</b>	
13,498	Increase in interest rate by 1%	16,323
(13,498)	Decrease in interest rate by 1%	(16,323)

**End of Audited Accounts**

## WINE GRAPES MARKETING BOARD - 2010 CONSOLIDATED BUDGET

2009 Budget	2009 Actual	EXPENSE ACCOUNTS	Notes	2010 Budget
<b>INCOME</b>				
\$975,000	\$740,213	Rates 260,000 tonnes @ \$3.90/t	<b>1</b>	\$1,014,000
\$62,000	\$54,272	Interest from Bank Accounts		\$45,000
\$20,152	\$34,600	Income from Operating Activities		\$21,552
\$24,000	\$5,787	Proceeds from Sale of Assets		\$28,000
\$6,000	\$125,000	Research Funds	<b>2</b>	\$125,000
<b>\$1,087,152</b>	<b>\$959,872</b>	<b>TOTALS</b>		<b>\$1,233,552</b>
<b>OPERATING EXPENDITURE</b>				
\$8,500	\$7,663	Accountancy Fees		\$7,000
\$35,935	\$41,376	Advertising, Printing and Stationary	<b>3</b>	\$52,835
\$17,000	\$14,209	Audit Fees – Statutory		\$18,000
\$2,500	\$1,037	Bank Fees and Charges		\$1,000
\$52,000	\$53,535	Board Fees, Allowances and Super.		\$54,700
\$5,230	\$3,358	Computer Expenses		\$7,730
\$3,950	\$638	Conferences/Seminars	<b>4</b>	\$10,250
\$60,500	\$26,577	Consultancy Fees	<b>5</b>	\$82,940
\$20,000	\$39,990	Depreciation Expense		\$40,000
\$500	\$4,000	Donations		\$2,500
-	\$6,186	Doubtful Debts	<b>6</b>	-
\$3,500	\$2,880	Fringe Benefits Tax		\$4,200
\$12,735	\$12,787	Industry Functions		\$9,035
\$15,575	\$15,910	Insurance		\$15,575
\$11,900	\$7,521	Legal Fees		\$11,900
\$13,575	\$13,641	Motor Vehicle Operating Expenses		\$11,860
\$10,780	\$10,071	Point of Access Office Expenses		\$10,880
\$20,310	\$21,750	Postage, Telephone and Facsimile		\$21,210
\$4,456	\$7,133	Employee Leave Entitlements		\$4,456
-	\$690	Promotion		-
\$3,300	\$2,100	Rates		\$2,000
\$2,000	\$7,600	Research Consumables		\$2,200
\$63,500	\$9,113	Research Payments	<b>7</b>	\$54,500
\$231,204	\$256,485	Salaries, Wages and Superannuation	<b>8</b>	\$327,752
\$29,500	\$11,750	Sponsorship		\$29,500
\$1,800	\$2,728	Staff Training		\$1,800
\$22,445	\$76,235	Subscriptions		\$34,105
\$735	\$841	Sundry Expenses		\$885
\$25,690	\$27,340	Travelling Expenses		\$27,150
<b>\$679,120</b>	<b>\$685,144</b>	<b>SUB TOTAL</b>		<b>\$845,963</b>
<b>CAPITAL EXPENDITURE</b>				
-	-	Building Expenditure		-
\$38,000	\$78,499	Motor Vehicles Purchase		\$70,000
-	\$206	Office equipment		-
-	\$1,396	Computer equipment		-
\$500	\$1,150	Research equipment		-
<b>\$38,500</b>	<b>\$81,251</b>	<b>SUB TOTAL</b>		<b>\$70,000</b>
<b>\$717,620</b>	<b>\$766,395</b>	<b>TOTAL EXPENDITURE</b>		<b>\$915,963</b>
<b>\$369,532</b>	<b>\$193,477</b>	<b>SURPLUS/(DEFICIT)</b>	<b>9</b>	<b>\$317,590</b>

## NOTES TO THE 2010 CONSOLIDATED BUDGET

The following is to explain select items of the budget.

### **NOTE 1: FEES AND CHARGES**

The rate of the fees and charges was set at 260,000 tonnes (250,000 tonnes in 2009). The forecast figure of 260,000 tonnes of growers winegrapes was presented to growers at the December meeting to confirm the rate of the Board fees and charges for 2010 at \$3.90 per tonne.

### **NOTE 2: INCOME FROM RESEARCH ACTIVITIES**

The Board in 2010 will again apply for the GWRDC funded Grassroots Program. The maximum funding allowed for the period July to June is \$125,000. In 2009 the Board received this funding.

### **NOTE 3: ADVERTISING PRINTING AND STATIONARY**

The increase in this expense item is as a result of the GWRDC Grassroots Program – development of fact sheets for growers. The printing will mostly be undertaken in house which is conducted through a NSW Government contract price per page. This is a funded activity.

### **NOTE 4: CONFERENCES AND SEMINARS**

The increase in this expense item is as a result of the GWRDC Grassroots Program – development of seminars for growers the region to deliver the extension program. This is a funded activity.

### **NOTE 5: CONSULTANCY FEES**

The increase in this expense item is as a result of the GWRDC Grassroots Program – funding the development of programs and extension papers, accommodation and transport costs of speakers etc. This is a funded activity.

### **NOTE 6: DOUBTFUL DEBTS**

The Board is still pursuing a winery “Grapes to the World” for the funds owed to the growers in this region and the fees and charges on these winegrapes.

### **NOTE 7: RESEARCH PAYMENTS**

The increase in this expense item is as a result of the GWRDC Grassroots Program – the payment of extension work that is to be done by third parties. This is a funded activity.

### **NOTE 8: SALARIES, WAGES AND SUPERANNUATION**

The Board has budgeted funding for an additional member of staff to cover the GWRDC Grassroots Program. This expense item will be funded in part by the program and the remainder of the positions work will be involved with assisting the development staff in the office. At this time the Board has not looked to fill this position and is using existing staff to cover the workload of the Grassroots Program

### **NOTE 9: SURPLUS DEFICIT**

The budget assumes a surplus amount of funds. In accordance with the Board practice of returning fees and charges to growers each year, it is envisaged that this will again be the case in 2010. However it is important to note that the 2010 vintage is likely to be significantly lower in tonnes than the 2009 season (in terms of grower production).



*Riverina*  
WINE GRAPES  
MARKETING BOARD

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