

STRATEGIC PLAN 2020 - 2024

WINE GRAPES MARKETING BOARD NEW SOUTH WALES RIVERINA



STRATEGIC OPERATIONS PLAN 2020 - 2024 OPERATING BUDGET 2020



Riverina
**WINEGRAPE
GROWERS**

WINE GRAPES MARKETING BOARD
STRATEGIC OPERATIONS PLAN
2020 - 2024
OPERATING BUDGET
2020



Riverina
**WINEGRAPE
GROWERS**

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NOTICE OF MEETING TO APPROVE STRATEGIC PLAN AND 2020 BUDGET

**2020 - 2024 Strategic Operations Plan Presentation
and 2020 Operating Budget Meeting**
Wednesday 27th November 2019, Yoogali Club, Yoogali NSW
Commencing at 7:00pm
Apologies to the Wine Grapes Marketing Board

BOARD OFFICES

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BOARD EXECUTIVE

Chairman

Bruno Brombal
Mobile: 0429 630 465

Deputy Chairman

Robert Bellato
Mobile: 0408 477 210

ACRONYMS USED IN THIS DOCUMENT

GIS	Geographical Information System
HACCP	Hazards Analysis of Critical Control Points
LLS	Local Land Services
MIA	Murrumbidgee Irrigation Area
NSW	New South Wales
NSWWIA	NSW Wine Industry Association
R&D	Research & Development
WGMB	Wine Grapes Marketing Board

Wine Grapes Marketing Board Trading as: Riverina Winegrape Growers Strategic Operations Plan 2020 - 2024

Preface

This strategic operations plan is written in accordance with the requirements of *Section 15* of the *NSW Agricultural Industry Services Act 1998*.

The Wine Grapes Marketing Board (Board) is constituted under the *NSW Agricultural Industry Services Regulation 2015*.

Area of Operations

The Area of Operation of the Board is the City of Griffith and the Local Government Areas of Leeton, Carrathool and Murrumbidgee.

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 the sale 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 regional 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).

This Strategic Plan

Developed by the Board to enable growers members the ability to view and approve the proposed activities and functions of the Board for 2020 and future years.

This this plan to account for expense items that apply to all services listed in this plan (eg. Insurances, rates, Board allowances and superannuation, statutory audit fees, depreciation and fringe benefits tax) the cost of these have been apportioned across all tasks based on the percentage of labour/wages expense.

To fund the agricultural industry services the Board places a charge on all wine grape production on a per tonne basis. The Board is proposing that the rate remain at \$3.90 per tonne fresh weight of wine grapes on the sold production (wine, must, juice of wine spirit) of constituted growers.

The charge is applied to the class of primary producers for which the Board in is constituted (in accordance to the legislation). The charge is approved by producers at a properly constituted meeting convened for the purposes of approving the expenditure of the Board against the activities and services proposed in this document.

Growers are invited to meet on Wednesday 27th November 2019 at the Yoogali Club, Yoogali NSW commencing at 7:00pm to approve the plan and the 2020 expenditure budget.

A dinner will be held prior to the meeting.

Queries or any apologies can be made to the Board.

Cost of Printing

The printing was undertaken inhouse, total printing cost including paper \$0.96 inc GST per report (300 printed).

Approval of the Plan

This document was approved to present to grower members by the Wine Grapes Marketing Board directors on 9th September 2019.

The Plan is to be presented to grower members and they must vote on the approval of the document

- 2020 PROPOSED ACTIVITIES -

INDUSTRY SERVICE	ACTIVITY PROPOSED	COST
Development of a Code of Conduct for contract negotiations	Participate in the Code of Conduct review and development.	\$8,587
Information Collection, Dissemination and Transfer	Grapegrower & Winemaker monthly subscription for growers.	\$146,678
	Vine Chat - industry newsletter production (6 times per year).	
	Maintenance of a regional website and social media accounts.	
	Management of online regional wine grape sale index.	
	Attendance of NSW Wine Industry Association meetings.	
	Attendance of national industry committees.	
	Attendance at Irrigation Related Meetings.	
	Liaison with NSW - Primary Industries, Food and Water.	
	Attendance of industry conferences and seminars.	
	Subscribe to industry journals, for the Board office.	
	Publication of Statutory WGMB Annual Report.	
	Conduct of grower meetings (Annual General, Special and Budget).	
	Manage a functional contacts database for the region.	
Monitor, report and respond to Wine Industry Issues.		
Price Information and Communication with Wineries	Collate and disseminate winery price lists.	\$8,006
	Meetings with Riverina Winemakers Association	
	Publish regional price reports - Price dispersion report	
	Publish Terms of Payment information	
Research, Development and Extension in Vine Health and Environmental matters	Conduct wine grape laboratory sampling service, grape maturity	\$220,145
	Vine health, biosecurity & R&D issues, LLS liaison.	
	Attendance at NSWWIA meetings on R&D Priorities.	
	Regional weather station monitoring network service for growers.	
	Drift/Disease/Weather Assessment of vineyards (on a needs basis).	
	Development, sponsorship and conduct of grower field days.	
	HACCP Management	
	Development and Funding of Research and Extension programs.	
	Production, publication and distribution of Riverina Spray Diary.	
	Provide grower support and advice, Variable Message Boards.	
	Assist in the management of regional Vine Improvement	
	Growers Extension services GIS System Updates.	

- 2020 PROPOSED ACTIVITIES -

Regional Promotion and increased GI labelling of Riverina wines	Promotion of the region at industry functions.	\$44,024
	Develop media exposure of the region.	
	Internet based promotional programs and activities.	
	Regional Promotional Activities.	
Regional Representation (Specific) of wine grape growers and industry	Develop submissions to Government as required.	\$83,129
	National and State Irrigators Council membership (water issues).	
	Membership of National Industry Bodies (Inland Alliance).	
	Conduct media announcements to public and growers.	
	Manage a Water Sub-Committee to discuss issues relating to production.	
	NSW Wine Industry Association membership.	
	NSW Farmers Association and NSW Business Chamber membership.	
Operational	Manage the payment of Board fees and charges, authorised officers.	\$333,807
	Compliance with Statutory obligations.	
	Prepare papers, conduct and minute Board meetings.	
	Maintenance of current office facilities, assets and accounts.	
	Board and Staff training provision.	

TOTAL BUDGETED EXPENDITURE	\$844,377
BUDGETED INCOME	
Board Fees (\$3.90 per tonne 205,000 tonnes - constituted growers)	\$799,500
Interest from Banks	\$28,000
Proceeds from Sale of Assets	\$28,000
Sundries	\$4,475
TOTAL INCOME	\$859,975
2020 SURPLUS (DEFICIT)	\$15,598

Notes:

- 2021 - 2024 COMMENTARY -

As per the *Agricultural Industry Services Act* 1998 the Board must present a 5 year Strategic Plan each year to its members for consideration and approval. In this plan the continuation of budgeting for the years, 2021 to 2024 are presented in this Strategic Plan as a grouped up amount with ongoing declines in the financial position of the Board.

Maintaining existing services in line with reductions in the level of income through vineyard sales to non-leviable wineries in the region will create pressure on the organisation to reduce costs and services to members in future years. Unless growers are prepared to increase the level of fee per tonne on an annual basis the Board will need to reassess its ongoing role within the region.

	2021	2022	2023	2024
Forecast Leviable Tonnes	195,000t	190,000t	185,000t	180,000t
BUDGETED INCOME				
Board Fees @ \$3.90 per tonne	\$760,500	\$741,000	\$721,500	\$702,000
Other Income: Interest ; Sale of Assets, etc	\$55,000	\$55,000	\$55,000	\$55,000
TOTAL INCOME	\$815,500	\$796,000	\$776,500	\$757,000
TOTAL EXPENDITURE	\$870,000	\$870,000	\$870,000	\$870,000
SURPLUS (DEFICIT)	(\$54,500)	(\$74,000)	(\$93,500)	(\$113,000)

On the following page the budget for 2020 shows a minor deficit of less than \$10,000. This deficit can be funded out of existing reserves held by the Board. Ongoing losses as that shown in the above table have the potential for the Board to review its services or increase the fees and charges on existing members if the decline in production from members continues as forecast. The Board in past seasons has returned to growers excess funds. Below shows the amounts returned since this was introduced 15 years ago, inclusive of residual funds that are currently in term deposits.

Year	\$ per tonne	Total	Surplus (Deficit)
2004	\$1.00	\$217,679	\$127,784
2005	No return		\$249,389
2006	\$1.00	\$241,899	\$157,746
2007	No return		\$201,927
2008	\$1.50	\$382,225	\$122,932
2009	\$1.00	\$253,302	\$274,728
2010	No return		\$192,847
2011	\$1.50	\$336,332	(\$21,872)
2012	No return		\$108,665
2013	\$1.50	\$338,257	\$26,417
2014	No return		\$133,342
2015	\$2.00	\$450,851	(\$230,821)
2016	\$1.00	\$226,577	\$39,123
2017	\$1.50	\$353,336	(\$186,496)
2018	\$1.00	\$220,445	\$68,891
Totals:		\$3,020,903	\$1,264,604

- 2020 FINANCIAL YEAR PROPOSED OPERATING BUDGET -

BUDGETED INCOME	\$
Charges (\$3.90 per tonne on 205,000 tonnes) - constituted growers	799,500
Interest from Bank Accounts	28,000
Proceeds from Sale of Assets	28,000
Income from Operating Activities (Sundries)	4,475
TOTAL INCOME	859,975
BUDGETED OPERATING EXPENDITURE	
Accountancy Fees	5,000
Advertising Activities	3,450
Agency Expense (Collection fee charged by wineries 5%)	39,975
Audit Fees - Statutory	27,000
Bank Fees and Charges	1,700
Board Fees and Allowances	95,000
Computer Expenses	7,820
Conferences/Seminars	2,500
Consultancy Costs (Project work conducted by relevant consultants)	20,500
Depreciation Expense	41,000
Fringe Benefits Tax	8,500
Industry Functions	12,200
Insurance	16,000
Legal Fees	4,500
Motor Vehicle Operating Expenses (fuel, registration, etc)	12,000
Point of Access Office Expenses	18,500
Postage and Telephone	12,020
Printing and Stationery	10,861
Promotion	28,800
Provision for Annual Leave	4,457
Provision for Long Service Leave	1,800
Rates	4,000
Research Consumables	2,050
Research Payments	15,500
Return of Statutory Fees - charged on growers of less than 20 tonnes	280
Salaries and Wages	249,858
Sponsorship	12,000
Staff and Board Training	4,000
Subscription: Magazines Subscription for Growers	10,050
Subscription: Inland Regions Alliance	30,000
Subscription: Irrigation Representation and Sundries	7,350
Subscription: NSW Wine Industry Association	12,000
Subscription: Papers, NSW Business Chamber, NSW Farmers	1,100
Sundry Expenses	5,000
Superannuation (includes \$8,550 of Board Member superannuation)	32,286
Travelling Expenses	17,300
SUB-TOTAL	775,377
BUDGETED CAPITAL EXPENDITURE	
Motor vehicle, Office Equipment, Computer Equipment	69,000
SUB-TOTAL	-
TOTAL EXPENDITURE	844,377
SURPLUS	15,598



**RIVERINA
WINE GRAPES MARKETING BOARD
REPRESENTING GROWERS
WITHIN THE CITY OF GRIFFITH
AND LOCAL GOVERNMENT AREAS OF LEETON,
CARRATHOOL AND MURRUMBIDGEE**

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