



Riverina
WINE GRAPES
MARKETING BOARD

WINE GRAPES MARKETING BOARD



Serving
Riverina
Winegrape
growers
since
1 9 3 3

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

ANNUAL REPORT 2012

WINE GRAPES MARKETING BOARD

Annual Report for 2012



Riverina
WINE GRAPES
MARKETING BOARD

Wine Grapes Marketing Board Offices

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

James Codemo
Mobile: 0401 567 449
Email: jcodemo@wgmb.net.au

Office Manager

Sheree Collins
Email: scollins@wgmb.net.au

Annual General Meeting

Wednesday 19 June 2013
Hanwood Sports Club
HANWOOD NSW 2680
Commencing at 7:30pm

Page(s)

1	Acronyms and Abbreviations used
2	Letter to the Minister
3	Chief Executive Officer's Introduction for 2012

Statutory Compliance

3	Application for Extension of Time
3	Charter of the Board
3	Agricultural Industry Services of the Board
3	Aims & Objectives
3	Access
3	Management and Structure
4	Board Members during 2012
4	Meetings of the Board
4	Board Members Attendance
4	Board Staff
4	Organisation Chart
4-5	Summary Review of Operations
5	Funds Granted to Non-Govt Comm. Orgs
5	Legal Change
5	Economic or Other Factors
5	Management & Activities
5-6	Research & Development
6	Human Resources
6	Consultants & Research Payments
6	Equal Employment Opportunity
7	Disability Plans
7	Land Disposal
7	Promotion
7	Consumer Response
7	Payment of Accounts
7	Time for Payment of Accounts
7	Risk Management & Insurance Activities
7	Internal Audit & Risk Management Policy
7	Disclosure of Controlled Entities
7	Disclosure of Subsidiaries
7	Multicultural Policies and Services Program
7	Agreements with the Community Relation Com.
7	Workplace Health and Safety
7-8	Waste
8	Numbers of Executive Officers
8	Public Access of Information
8	Public Interest Disclosures
8	Electronic Service Delivery
8	Publication Guide
8	Appointed Auditors
8	Annual Reports
8	Financial Year

Reports 2012

8	Regional Association Reports
8-9	Research & Development Report
9-11	Minutes of the Previous Annual General Meeting
11-12	Wine Grape Growers' Australia

Financial Reporting and Information

13-14	Statement by the NSW Audit Office
15	Statement by Members of the Board
16-33	Audited Financial Report

Wine Grapes Marketing Board 2013 Budget

34	2013 Consolidated WGMB Budget
35	Notes to the 2013 Consolidated Budget

ACRONYMS AND ABBREVIATIONS USED IN THIS REPORT

ACCC	Australian Competition and Consumer Commission
AGM	Annual General Meeting
AWRI	Australia Wine Research Institute
CCA	Copper Chromium Arsenate (preservative)
CEO	Chief Executive Officer
CMC	Code Management Committee
EEO	Equal Employment Opportunity
GWRDC	Grape and Wine Research and Development Corporation
GIS	Geographical Information Service
HACCP	Hazards Analysis of Critical Control Points
IDO	Industry Development Officer
JPF	Joint Policy Forum
MDBA	Murray Darling Basin Authority
MIA	Murrumbidgee Irrigation Area
NSW	New South Wales
NSWDPI	New South Wales Department of Primary Industries
NSWWIA	New South Wales Wine Industry Association
NVBC	National Viticulture Biosecurity Committee
OM	Office Manager
PHA	Plant Health Australia
R&D	Research and Development
RD&E	Research, Development and Extension
SMS	Short Message Service
TO	Technical Officer
WFA	Winemakers' Federation of Australia
WGGA	Wine Grape Growers' Australia
WGMB	Wine Grapes Marketing Board

Letter to the Minister

8 April 2013

The Honourable Katrina Hodgkinson 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, 2012 for tabling in the NSW Parliament.

This 79th Annual Report on performance, activities and financial results has been prepared in accordance with provisions of the *Annual Reports (Statutory Bodies) Act 1984*, and the *Public Finance and Audit Act 1993*.

Yours sincerely



Bruno Brombal
Chairman



Robert Bellato
Deputy Chair

Chief Executives' Report - Brian Simpson

Welcome to the Wine Grapes Marketing Board's 2012 Annual Report of its operations and financial position.

This report contains a draft copy of the minutes of the previous meeting that was held in 2012 for your information prior to the Annual General Meeting to be held 18 June 2013 commencing at 7:30pm at the Hanwood Sports Club, Hanwood NSW.

In 2012 the Board introduced its Strategic Operations Plan 2013-2017. This is in line with the NSW Government's requirements under the *Agricultural Industry Services Act 1998* 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 October 2012 and soft copy versions are also available for download via the Board's website.

A number of growers exited the industry in 2012 due to ongoing economic factors of prices for winegrapes generally not meeting the costs of production.

The season impacted many growers with late heavy rains and overland flooding of significant areas of grape production which caused major losses to growers that were inundated.

Statutory Compliance

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

Application for Extension of Time

The Board did not apply for an extension to publish its Annual Report for 2012.

Charter of the Board

The Wine Grapes Marketing Board is a NSW Agricultural Industry Services Committee formed in accordance with the *Agricultural Industry Services Act 1998* under the *Agricultural Industry Services Regulation 2009, Part 2*.

Agricultural Industry Services of the Board

- (a) the development of a code of conduct for contract negotiations between wine grape growers and wineries,
- (b) the development of draft contract provisions with respect to the sale of MIA wine grapes to wineries, including provisions with respect to:
 - (i) The prices to be paid by wineries, and
 - (ii) The terms and conditions of payment to be observed by wineries,in relation to MIA wine grapes delivered to them by wine grape growers,
- (c) the promotion of private contracts for sales of MIA wine grapes to wineries by wine grape growers,

- (d) the collection and dissemination of market and industry information, including the production and publication of indicator prices for MIA wine grapes grown in the Board's area of operations,
- (e) the conduct of research and development into plant health in relation to wine grapes,
- (f) the provision of education and training in relation to wine grape production and marketing,
- (g) the promotion (in association with organisations representing wineries) of wine made from MIA wine grapes,
- (h) the promotion of region industry, including regional winemaking, within the Board's area of operations,
- (i) the representation of the wine grape industry in relation to the matters referred to in paragraphs (a) – (h).

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.

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

Access

The office is located at 182 Yambil Street Griffith NSW.

Telephone 02 6962 3944

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

Management & Structure

The Board consists of seven members, five of whom are elected by winegrape growers and two appointed by the Board. The elected members of the Board have a three year term that ceases February 2013. The appointed members' terms cease February 2014.

Board Members during 2012

- Bruno Brombal (Chairman - Executive)
- Robert Bellato (Deputy Chair - Executive)
- Bruno Altin
- Len Gullotta (deceased during 2012)
- Lou Dal Nevo
- Tony Baggio
- Eric Berton

Meetings of the Board

During the 12 months to 31 December 2012 there were 12 general meetings (generally held the second Monday of each month) and 2 public meetings of the Board.

The Board holds its general meetings the second Monday of each month.

Public Meetings held in 2012 were the Annual General Meeting and the Strategic Planning and Budget setting meeting.

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>Public</i>	<i>General</i>	<i>%</i>
<i>Number of:</i>	<i>2</i>	<i>12</i>	
Bruno Brombal	2	12	100%
Robert Bellato	2	9	79%
Lou Dal Nevo	2	11	93%
Tony Baggio	2	10	86%
Len Gullotta	n/a	4	100%
Eric Berton	2	12	100%
Bruno Altin	2	12	100%

n/a – Was not a member of the Board for these meetings

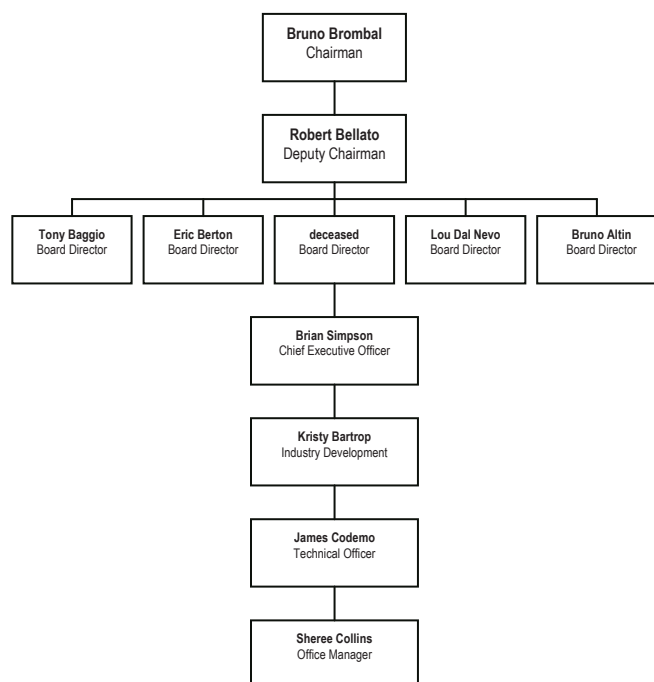
Len Gullotta passed away during the year and his position was not filled.

Board Staff

From 1 Jan 2012 - 31 Dec 2012 staff members were:

- *Chief Executive Officer* - Brian Simpson B Bus (Ag Comm)
- *Industry Development Officer* - Kristy Bartrop Bach App Sci & Food Science, MMgt
- *Office Manager* - Sheree Collins
- *Technical Officer* - James Codemo

Organisation Chart



Summary Review of Operations

The following provides a narrative summary of significant operations, financial and other quantitative information for programs or operations.

- The cessation of Statutory Payment terms required the Board to seek agency agreements with all known winegrape purchasers. This has increased the costs of operations of the Board and the level of management of its income stream.
- The Board wrote a submission to the MDBA in response to the Basin Plan and participated in the regional stakeholder group.
- The Government response to the Winegrape Market and Prices Inquiry was dismissive on all recommendations. The Board wrote to all representatives of government raising its concern on behalf of growers.
- Board staff worked closely with the Griffith City Council staff in obtaining images for use in the Pioneer Park Wine Museum that is yet to officially open.
- The Board sought the appointment of two authorised officers to act on behalf of the Board in accordance with the legislation to obtain tonnage reports from regional wineries.
- The office fielded many calls from industry media in relation to the flooding rains across the region in March.
- Discussion on the possibility of using an ad-valorem system for statutory fees and charges occurred

(following requests from growers at a public meeting). The current legislation does not allow for the change and it would present challenges for budgeting.

- The Board provided input into the Murrumbidgee Catchment Management Plan project Landscape Values and Changes.
- The Board's Industry Development Officer Kristy Bartrop was selected to participate in the 2012 Wine Industry Future Leaders development course.
- The Board facilitated a meeting between a small group of growers and the federal member for Riverina, Michael McCormack to discuss industry issues and concerns.
- The Board facilitated a strategic planning exercise for the MIA Vine Improvement Society to review their current direction.
- The NSW Small Business Commissioner attended the region to meet with a group of growers to discuss the industry issues and concerns and determine what the Commissioner's office could do to assist grape producers.
- The Industry Development Officer using funding from the GWRDC Grassroots program coordinated a development program for the regions younger growers, titled Next Bunch the program was well received by attendees and provided them with a thorough insight into the Board and the industry.

Funds Granted to Non-Government Community Organisations

\$1,000 was donated to the Yenda Grape Growers Association to support the work that this association does in arranging meetings so that the Board can liaise with growers more frequently.

Legal Change

On 1 January 2012 the *Wine Grapes Marketing Board (Reconstitution) Act 2003* was repealed. The Wine Grapes Marketing Board continues to operate under the *Agricultural Industry Services (Wine Grapes Marketing Board) Regulation 2003*, in line with the *Agricultural Industry Services Act 1998*.

Economic or Other Factors

Following the repeal of the *Wine Grapes Marketing Board (Reconstitution) Act 2003* the Board was required to enter into agency agreements with wineries for them to deduct the statutory fees and charges from grower payments and forward these to the Board. The agency agreements were generally well adopted with the Board being required to pay 5% of the \$3.90 per tonne to the wineries (\$27,526 in 2012). Wineries that did not enter agreements required the Board to invoice individual

growers at a cost to the Board not previously encountered.

The increased compliance costs in 2012 from the repeal of the legislation resulted in an increase of 312% in the costs of managing payments from \$16,212 in 2011 to \$50,647 in 2012, predominately increased wages and consultant Authorised Inspectors.

Management & Activities

A review of the strategic operations of the Board was conducted by the Board during 2012. This was presented to growers in the *WGMB Strategic Operations Plan 2013-2017 and Operating Budget for 2013* publication. The plan was adopted at a meeting of growers held in December 2012 at which time the rate for the Board's grower fees and charges was 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. All contracts were extended for a further 12 months.

Research & Development

The Board continued to operate its own wine grape maturity sampling laboratory facilities during the year for constituted growers (no charge) and third party industry participants (competitive rates).

The Board is currently focused on extension activities principally with the funding being provided by the GWRDC under their Grassroots program that aims to provide up to \$125,000 per financial year.

In 2012 the Board completed the following projects:

- Grapes to Wine: a review of the factors that influence finished wine quality.
- Spray Calibration Extension Material: to assist grape producers in ensuring that spray applications are efficient.
- CCA Post Fact Sheet: to advise of the safe manner in which to handle, use and dispose of CCA treated vine posts.
- Vine Borer Fact Sheet: to assist growers manage this vineyard pest.

In 2012 the following projects were commenced but not completed:

- Alternative Pest & Disease: trial at NSW DPI with alternative spray chemicals.
- Fertilizer Performance: monitoring of nutrient leaching through the water table to reduce costs.
- Water Use Efficiency Comparison: reviewing the yields per megalitre of water in the Riverina versus the Sunraysia Murray Valley winegrape region.

- Post Vintage Seminar: a review of the issues noted during the production season.
- Vineyard Mulch Trial: a trial of cheap mulch material at NSW DPI vineyard to reduce irrigation and herbicide applications.
- Next Bunch Wine Industry Leadership: development program involving self-nominated young representative growers in the region.

The resources allocated to this program are the Industry Development Officer in terms of management and overseeing the project activities and reporting to the GWRDC. The Technical Officer for the Board undertakes regular sampling and recording of data.

Human Resources

During 2012 the Board employed 4 permanent staff, 1 casual staff member.

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 5% variation in wages and salaries from the 2011 position as a result of having 4 full time staff engaged for the entire financial year.

There have been no changes in the staffing numbers and structure of the organisation for the past three years.

No exceptional movements in wages, salaries or allowances occurred.

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

Permanent staff performance is reviewed annually by Board Executive and these reviews are discussed at the next occurring Board meeting.

All permanent staff members are engaged on 1 year contracts ending in 31 December 2013.

Consultants and Research Payments

The Board engaged the services of 2 accountants that were appointed by the NSW Government to act as authorised inspectors for the Board for the purposes of ensuring completeness of revenues.

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

Ms Sally Whitely CPA, Miller Crawford Accounting Services, Wagga Wagga, NSW.

- Authorised Inspections fees 2012 \$ 4,720

Research activities conducted by the Board were mostly funded by the GWRDC via its Regional Grassroots Project funding which runs on a standard financial year.

Seven (7) consultants were engaged in 2012 costing a total of \$196,138 (\$133,238 in 2011) (excluding GST).

- NSW DPI – GWRDC funded Alternative Pest and Disease Extension \$ 10,000
- NSW DPI – GWRDC funded Vineyard Disease Management \$ 18,000
- NSW DPI – Grape vine testing \$ 137
- NSW DPI – GWRDC funded Preparation and Development of Spray Calibration Extension documents \$ 900
- AWRI – GWRDC funded Grapes to Wine project extension documentation \$ 24,000
- Rural Training Initiatives – GWRDC funded Wine Industry Leadership Program \$ 4,255
- Management Resource Plus - HACCP \$ 448
- Retallack Viticulture – GWRDC funded Comparison of Water Use Efficiency in the Riverina \$ 4,960
- Terrabyte, Update of aerial maps \$ 81,620
- Wine Grape Growers Australia (Management of Code of Conduct) \$ 25,000
- Wine Grape Growers Australia (Management of Plant Health Australia) \$ 10,000
- Wine Grape Growers Australia (Management of R&D&E Priorities for the Riverina) \$10,000
- Wine Grape Growers Australia (Red Wine Grape Pricing Mechanism) \$ 5,000
- Wine Grape Growers Australia (fees) \$ 1,818

Equal Employment Opportunity

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

(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 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 2012 Financial Year. A revaluation of the property and land occurred in November 2010 as per NSW Audit Office Agents request. Another revaluation will occur in 2013 for the purposes of financial reporting.

Promotion

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

- Sponsored the Riverina Wine Show \$ 3,000
- Griffith Visitors Guide for 2012-13 \$ 5,000
- Tourism Touchscreens \$ 880
- 2012 Riverina Field Days \$10,000
- Maintained a Wine Display at Griffith Aerodrome and Leeton Visitors Centre – with the kind assistance of regional wineries.

No overseas trips were taken by employees or members of the Board for promotional purposes.

Consumer Response

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

One anonymous letter purporting to be from a grape grower was received that the Board could not act upon.

Payment of Accounts

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

Number of Days	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
0-30 days	\$92,405	\$106,240	\$171,145	\$345,717
30-60 days	-	-	-	-
60-90 days	-	-	-	-
90+ days	-	-	-	-
\$ Total	\$92,405	\$106,240	\$171,145	\$345,717
% target	100%	100%	100%	100%
% actual	100%	100%	100%	100%

Time for Payment of Accounts

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

Risk Management & Insurance Activities

The Board is currently insured for members and staff liability and professional indemnity. All assets are insured to their replacement value. The Board's internal policy on purchasing is for all asset purchases to be recorded on the assets register.

Internal Audit and Risk Management Policy Attestation

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

The Board will continue its biennial review of the policies and procedures in place to ensure proper accounting control in relation to assets, liabilities, receipts and expenses in accordance with *Public Finance and Audit Act Section 11*.

Disclosure of Controlled Entities

The Board does not have any controlled entities.

Disclosure of Subsidiaries

The Board does not have any subsidiaries.

Multicultural Policies and Services Program

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

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

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

Agreements with the Community Relations Commission

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

Workplace Health & Safety

No reports of work-related injuries or illnesses were received during the year. The Board was also not advised of any proceedings against it under the *Workplace Health and Safety Act 2011*.

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 and disposed off site.

Grower numbers are noted prior to any mass printing to ensure that excess printing does not occur.

Numbers of Executive Officers

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

Public Access of Information

The Board reviewed its public access policy and publication guide in accordance with *Government Information (Public Access) Act 2009, Section 7, Clause 3*, at its general meeting held in December 2012.

The Board received 8 formal requests for information (17 in 2011) under the provisions of the *Government Information (Public Access) Act 2009*. These related directly to growers own farm details held by the Board. No charges or fees were requested for requests and these were completed within 24 hours of application.

No applications were refused by the Board.

Public Interest Disclosures

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

No public interest disclosures were received by the Board.

The Board does not have a Public Interest Disclosure policy.

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

Electronic Service Delivery

Wine Grapes Marketing Board internet site www.wgmb.net.au continues to host Board newsletters and information updates for growers.

The Board uses facsimile and email to deliver weather and disease alerts to growers during the growing season. Information on meetings and activities are also sent via SMS to growers wishing to receive these.

During the financial year the Board's internet site recorded a monthly average of 604 hits from unique visitors (556 in 2011). Total unique users that went online to look equalled 7,246 (6,682 in 2011).

Publication Guide

In accordance with the NSW Office of the Information Commissioner under the *Government Information (Information Commissioner) Act 2009* the Board published a Guide to all material that it publishes and how members and the general public can access this. A copy of the Publication Guide is located on the Board's website. This information contains a copy of all current Board policies and procedures.

Appointed Auditors

The NSW Audit Office appointed Johnsons MME from Albury as its agent for the 2012 Audit.

Annual Reports

The Board produced 400 copies of this Annual Report to enable it to be sent to all constituents and to comply with statutory requirements. Annual reports cost \$6.17 per unit (inc. GST), these were printed locally.

Financial Year

1st January to 31st December.

2012 Reports

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.

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 Sports Club at varying times through each year with notices generally placed in the local newspaper.

Yenda Grape Growers' Association (YGGA)

Postal Address

PO Box 350

YENDA NSW 2681

Contact Details

Chairman Adrian Raccanello 0427 635 343

Meetings are held at the Yenda Diggers Club and notices of meetings are sent to growers via email or SMS. New members are always welcome.

The YGGA meets approximately 4 times per year to discuss any issues that may impact Grape Growers in Yenda area.

Research, Development & Extension Report

Industry Development Officer

Kristy Bartrop

The Research, Development & Extension activities in 2012 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 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) Grassroots regional extension program continued in 2012. The 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 2012/13 project plan encompasses six projects; Next generation grape growers leadership course, alternative pest and disease control options trial, fertiliser performance trial, water use comparison trial, post vintage seminar and a vineyard mulch trial.

Natural Disaster Assessments and Assistance

The 2012 season saw natural disaster issues with widespread flood damage to the regions vineyards. Growers in the Griffith, Leeton, Carrathool and Murrumbidgee Council Areas were able to apply for a one off \$15,000 grant to help compensate for the added expense this season as a result of flood damage to property.

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 2012 filled with exhibitors with links to the viticulture industry to benefit growers' needs. All growers are encouraged to support this event and suggest items to be included at future field day events.

Vineyard GIS Mapping Database

The Board continues to provide free full colour GIS farm maps to growers. The details on the farms maps have been confirmed through meetings with growers to ensure that the details are correct. 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. The Satellite imagery was updated in December 2012.

Vintage Grape Analysis Laboratory

The Wine Grapes Marketing Board vintage grape analysis laboratory continued its service to growers for the 2012 vintage. The Board undertook analysis for a range of customers; Riverina growers, local wineries, and out-of-area growers and wineries. 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.

Plant health assessments

Vine health assessments continue to be conducted in conjunction with Jason Cappello from NSW DPI. 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.

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.

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

Riverina - Wine Grapes Marketing Board 2011 Annual General Meeting Minutes of Meeting 19th June 2012, 8:00 PM Catholic Club Yoogali, Yoogali NSW 2680

Attendance: Constituent Growers (48 inc Board members): Asio Arcifa, Armando Armanini, Glen Bavaresco, Tim Bavaresco, Michele Bonaccorsi, Gary Bugno, Stephen Cadorin, Neil Carter, Louis Codemo, Allan Cornale, Joe D'Aquino, Daniel Favero, Brian Foggiano, Livio Forner, Lino Foscari, Anthony Gulloni, Lance Hicken, Dennis Menegon, Luigi Panazzolo, Rudolph Panazzolo, Lorenzo Pellizzer, Tom Previtera, Adrian Raccanello, Peter Raccanello, Mario Ragusa, David Rossetto, Michael Rossetto, Greg Rossi, Flavio Salvestro, Angelo Sartor, John Strano, David Torresan, Jack Torresan, Giulio Toscan, Ernesto Tropeano, Ross Vecchio, Kevin Vitucci, Ray Zahra, Allan Zalunardo, Del Zalunardo, John Zandona, Vince Zappala.

Board Staff: Brian Simpson (CEO), Kristy Bartrop (IDO), Sheree Collins (OM).

Board Members: Bruno Brombal (Chairman), Eric Berton, Louis Dal Nevo, Anthony Baggio, Bruno Altin, Robert Bellato (Deputy Chair).

Invited Guest Speakers: Raveen Jaduram (CEO Murrumbidgee Irrigation), Toby Ralph and Rachel Kelly (National Irrigators Council).

Members of the Public & Business Partners non-voting: Leo Arcifa, Jason Cappello NSW DPI, Andrew Deprez, Ray Foscari, Jill Raccanello, Lawrence Sartor, Virginia Tropeano, Don Vitucci.

Apologies: Steven Barbon, Matthew Bugno, Dom Calabria, James Codemo (Technical Officer), Bernie Conellan, Colin Crossingham, Leo De Paoli, Raymond De Paoli, Patrick Gullotta, Pascal Guertin, Rod Heffer, George Nardi.

1. Minutes of previous Annual General Meeting

Copies of the minutes had been included in the Annual Report for 2011.

That the minutes be accepted as a true and accurate record of 21st June 2011 meeting -

MOVED: Giulio Toscan

SECONDED: Kevin Vitucci **CARRIED**

1.1 Business Arising from the Minutes

No business was raised from the previous minutes.

2. Chairman's Report – Bruno Brombal

The 2012 season the Riverina Winemakers Association reported a 255,000 tonne crush. Wineries wanted 286,000 tonnes, 8,000 tonnes of concentrate were purchased and an estimated 19,500 tonnes remained unharvested. The Winemakers Federation is reporting a national crush of approximately 1.59MT (1.62MT in 2011)

Grape prices did not improve greatly on 2011 even though initial quality was excellent. In Victoria the prices lifted as was the case in South Australia.

2013 it is likely that diminished demand for Semillon and Colombard will occur as well as some Chardonnay. Red varieties will have a chance to increase due to the reduction in supply stemming from 2012.

The Board recently held a meeting with the Department concerned about a lack of consultation by the department with the Board on the Upper House inquiry outcomes and the need to continue regulation in the industry. The Minister recently advised the Chair at a meeting in Sydney that the Government would monitor this and it may look to act and reinstate the legislation if wineries do not do the right thing.

The Board has also raised its concerns about the behaviour of some wineries with the Office of the Small Business Commissioner and the Board requested that growers also contact the commissioner.

Growers were advised that the NSW Upper House Inquiry that was completed in 2010 was a waste of time and effort as nothing has come of it and the Government has not responded to any of the recommendations positively.

It was as though the Government consulted wineries only and based their decision on that.

DeBortoli Wines were not deducting the WGMB fees and charges in 2012 due to the company being upset with the Board and statements made about their business activities in other regions. DeBortoli Wines has threatened to lobby the Government to remove the Board. DeBortoli Wines growers are paying the levy directly to the Board and at this stage there have been no problems.

Grape spillage again was a problem throughout vintage, growers need to talk to their transport operators about this problem or face the risk of an accident impacting the industry's ability to transport grapes in open topped vehicles.

The Board worked hard this season following the flooding to secure grant funding for clean-up operations. It was not successful in getting further funding.

That the Chairman's report be accepted -

MOVED: Ezio Arcifa

SECONDED: Joe D'Aquino **CARRIED**

3. Financial Report – Brian Simpson CEO

The CEO presented the income and expenditure statements as per the Annual Report for 2011.

The reduction in production this season will require the Board to fund a portion of budgeted expenditure out of reserves. Therefore a levy return is not going to occur.

That the Financial Report for 2011 be adopted -

MOVED: David Rossetto

SECONDED: John Strano **CARRIED**

4. Ad-Valorem Fees and Charges – Brian Simpson CEO

Growers were shown the case for seeking change from a per tonne system to a system that was percentage based of gross value of production. This was a request from the Budget and Strategic Planning meeting held in 2011.

The use of ad-valorem could only be achieved provided that the information was available from wineries. Under the current legislation there is no requirement for wineries to provide such detailed reports. It would also see growers that are receiving higher returns pay more per tonne for the services of the Board than the majority of growers.

The Board advised that the system could not be adopted by a state based organisation as it could be deemed a tax or excise and only the Commonwealth has the power to do such.

5. Guest Speaker

5.1 Raveen Jaduram CEO Murrumbidgee Irrigation

Raveen talked about his first 8 weeks with the company and the issues they were having with assistance funding to cover the damaged caused to infrastructure by the flooding across the region.

Growers asked about the company needing to reduce its fixed charges as these are crippling the growers. Payments for these needed to be more flexible instead of a lump sum growers should be able to make payments in instalments for no penalty.

Intensive Horticultural Supply (IHS) system was discussed with growers raising their concern that the increases in power charges (22%) were a burden and the percentage of the costs that the company were picking up did not adequately cover the power costs associated with the pressurising on the lines that leaked due to poor installation of the system originally.

5.2 Toby Ralph National Irrigators Council

The River Reach program is a water trading system that allows irrigators to trade low reliability water to the government for environmental purposes. A short video of the system was shown for growers to obtain an understanding of how it would work.

Growers interested were asked to register online and then seek a suitable purchaser. While the current system is not ideal until ASIC grants permission for a website to be developed that puts sellers and buyers together it will be a long process before the market develops and grows enough to mature.

6. Other Business

6.1 Hanwood Grape Growers Association

The next meeting of the Association will be held Wednesday 27th June 2012 commencing at 7:30pm at the Hanwood Catholic Club. All growers are invited to attend the meeting.

6.2 Community Rally re MDBA Plan

The Murrumbidgee Valley Stakeholders Group will be holding a community rally in Griffith's Memorial Park Wednesday 27th June 2012 commencing at 11:30am. The duration will be one hour. Growers and their families are encouraged to attend. The rally will allow the community to show its support for the NSW Government's position on the MDB Plan with the Minister for Primary Industries to attend the rally and speak.

Being no further business, the meeting was declared closed at 9:56pm.

**Bruno Brombal
CHAIRMAN**

Report By:



Wine Grape Growers' Australia

Lawrie Stanford Executive Director

The Riverina Wine Grapes Marketing Board (WGMB) engaged Wine Grape Growers Australia (WGGA) to

manage a number of national projects during 2012 which benefitted Riverina wine grape growers. The following outlines WGGA activities in the agreed areas of funding.

1. Management of the Wine Industry Code of Conduct

- WGGA spear-headed and coordinated grower representation in an alleged Breach of the Code by a major Australian wine company. A determination of the alleged breach was made by Code Management Committee (CMC). WGGA involvement included informing grower representatives on the CMC about developments and issues, coordinating documentation and deliberations by the WGGA Executive Committee and among grower representatives on the CMC, securing legal advice on appropriate procedures and protocols for conducting the determination, liaising with the Code's Administrators (The Accord Group), the CMC Chair and WFA officers to arrange and conduct the required meetings and vigorously representing the grower's specified rights through the Code. A breach was not upheld but the advocacy on behalf of the grower succeeded in highlighting deficiencies in the Code and in the wine company's commercial behaviour – both of which will be addressed in 2013 by the CMC.
- Raised in the Joint Policy Forum (JPF), grower discontent with the lack of winemaker signatories to the Code and succeeded in having the senior officers of the WFA raise the issue with the WFA Board. WFA Board responses to this representation will occur and monitored by WGGA in 2013.
- Pursued accountability of the winemaker community for meeting a Code-specified target of 25 signatories out of the top 100 winemakers by 30 December 2012. A concession on the deadline was made – extending it to early 2013 – to allow the WFA to respond to the WGGA representations in the JPF and the WFA management's representations to the WFA Board to yield results.

2. Biosecurity Management via Plant Health Australia

- The WGGa Executive Director assumed operational control of the WGGa's responsibilities for national industry biosecurity arrangements.
- Liaised extensively with the range of key national industry stakeholders involved in the national industry biosecurity arrangements including; Plant Health Australia (PHA), the Department of Agriculture, Fisheries and Forestry, the GWRDC and the WFA.
- Attended PHA meetings to represent wine sector views after consultation with growers.
- Contributed to the formation of the National Viticulture Biosecurity Committee (NVBC) to replace the former National Vine Health Steering Committee.
- Convened the National Winegrape Biosecurity Committee, which had existed for the last two years, and successfully negotiated to transform this committee into a Winegrape Industry Reference Group to make grass-roots industry input into the NVBC.
- Participant in a GWRDC-funded project, conducted by PHA, to rewrite the Viticulture Biosecurity Plan and User Manual.
- Coordinated wine sector input into the proposed commonwealth changes to biosecurity legislation in the new 2012 Biosecurity Bill.
- Undertook research into long-term, sustainable funding arrangements for the national industry biosecurity arrangements.

3. Research, Development and Extension Coordination

- Collaborated with the WFA to make a joint proposal to the Minister for merging the GWRDC and the Wine Australia Corporation. With the WFA, undertook extensive consultation with industry on the proposal. Succeeded in gaining the Minister's approval for the merger based on industry consultation.
- Submitted a proposal to the GWRDC for funding to support consultations on national grower

RD&E priorities. Succeeded in gaining funding to facilitate a grower workshop with the GWRDC, to be held in conjunction with the WGGa Executive Committee meeting of June 2013.

- Collaborated in a successful submission to the GWRDC for funding research into the drivers/barriers to effective adoption of research and to provide guidance to the GWRDC about facilitating research adoption.
- Scoped future research into the adoption of objective measures for winegrape characteristics and measurement protocols.
- Sought questions to be asked through the Senate Estimates Committee on the interpretation of the *Primary Industries and Energy Research and Development Act 1989* governing permissible research under this Act that governs GWRDC decision-making.

4. Removal of colour as a pricing tool

- Opened dialogue with the ACCC on potential misleading practices by winemakers, principally in the Riverina but more generally in warm inland regions, via a letter of complaint outlining practices reported in these regions. Further representation is pending the ACCC response.
- Successfully brought to a conclusion survey research, conducted by the AWRI, into practices in objective measuring of winegrape characteristics. A report has been prepared that shows significant dissatisfaction with practices in this area, including a specific mention of colour measurements, which will add impetus to WGGa efforts to remediate these practices.
- Significantly progressed work that will clear the decks for testing, and if verified, establishing regulation of colour measurements. This is occurring through participation in the Winegrape Quality Measurement Committee, hosted by the National Measurement Institute, the commonwealth regulator of trade measures. The current work is in establishing standards and instrumentation for baume measuring that will be complete by early 2014.



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 comprise the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Board as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Board's Responsibility for the Financial Statements

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

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. Those standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 controls relevant to the entity's preparation of the financial statements that give a true and fair view 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 controls. 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
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

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

S Bond

Sally Bond
Director, Financial Audit Services

16 April 2013
SYDNEY

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

STATEMENT BY MEMBERS OF THE BOARD


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

1. The accompanying financial report exhibits a true and fair view of the financial position of the Wine Grapes Marketing Board as at 31 December 2012 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 2011*, and the Treasurer's directions.

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



Bruno Brombal
Chairman



Robert Bellato
Deputy Chair

Dated this day the 8 April 2013

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 2012

31/12/11		Note	31/12/12
\$			\$
	INCOME		
23,899	Other Income	2	29,003
109,264	Interest		106,865
172,125	Grants	3	62,500
537,233	Fees and Charges on Growers	4	771,124
4,738	Gain on Sale of Assets		-
847,259	TOTAL INCOME		969,492
	EXPENDITURE		
14,535	Audit Fees		18,151
932	Bank Fees		990
54,040	Board Fees & Allowances and Superannuation		51,045
133,238	Consultancy Fees		200,858
41,892	Depreciation		42,124
4,528	Fringe Benefits Tax		6,630
274,243	Other Administration Expenses	5	213,480
276,973	Salaries, Wages & Superannuation		292,056
32,416	Subscriptions		24,121
23,284	Travelling expenses		12,515
13,050	Employees Leave Entitlements		(2,550)
-	Loss on Sale of Assets		1,407
869,131	TOTAL EXPENDITURE		860,827
(21,872)	SURPLUS / (DEFICIT) FOR THE YEAR		108,665
(21,872)	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		108,665

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

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

STATEMENT OF FINANCIAL POSITION
as at 31 December 2012

31/12/11	CURRENT ASSETS	Note	31/12/12
\$			\$
341,265	Cash & Cash Equivalents	6	272,674
38,962	Trade and Other Receivables	7	62,467
1,600,000	Investments	8	1,800,000
<u>1,980,227</u>	Total Current Assets		<u>2,135,141</u>
	NON-CURRENT ASSETS		
638,363	Property, Plant & Equipment	9	641,586
<u>638,363</u>	Total Non-Current Assets		<u>641,586</u>
<u>2,618,590</u>	TOTAL ASSETS		<u>2,776,727</u>
	CURRENT LIABILITIES		
53,746	Trade and Other Payables	10	105,768
49,336	Employee Benefits	11	46,786
<u>103,082</u>	Total Current Liabilities		<u>152,554</u>
<u>103,082</u>	TOTAL LIABILITIES		<u>152,554</u>
<u>2,515,508</u>	NET ASSETS		<u>2,624,173</u>
	EQUITY		
94,987	Reserves	12(a)	94,987
2,420,521	Retained Earnings	12(b)	2,529,186
<u>2,515,508</u>	TOTAL EQUITY		<u>2,624,173</u>

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

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

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2012

31/12/11	Note	31/12/12
\$		\$
RESERVES		
	Asset Revaluation Reserve	
94,987	Balance on 1 January	94,987
-	Net increase/(decrease) on revaluation of land & buildings	-
94,987	Balance on 31 December	94,987
RETAINED EARNINGS		
2,442,393	Balance on 1 January	2,420,521
(21,872)	Surplus (deficit) for the year	108,665
2,420,521	Balance on 31 December	2,529,186
2,515,508	TOTAL EQUITY	2,624,173

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

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

STATEMENT OF CASH FLOWS
for the Year Ended 31 December 2012

31/12/11	Note	31/12/12
Inflows (Outflows)		Inflows (Outflows)
\$		\$
CASH FLOWS FROM OPERATING ACTIVITIES		
RECEIPTS		
1,662,758	Wineries & Growers	778,599
189,338	Grants Received	68,750
109,264	Interest Received	106,865
36,282	Other	14,938
<u>1,997,642</u>		<u>969,152</u>
PAYMENTS		
(345,142)	Employee Benefits	(342,467)
(481,107)	Payments to Suppliers	(446,389)
(1,132,428)	Payments to Growers	(2,132)
<u>(1,958,677)</u>		<u>(790,988)</u>
NET CASH PROVIDED BY OPERATING		
<u>38,965</u>	13	<u>178,164</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
56,437	Proceeds from Sale of Fixed Assets	46,363
(91,062)	Payments for Property, Plant & Equipment	(93,118)
(500,000)	Payments for Investments	(200,000)
<u>(534,625)</u>	NET CASH USED IN INVESTING ACTIVITIES	<u>(246,755)</u>
(495,660)	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(68,591)
836,925	Cash & cash equivalents at 1 January	341,265
<u>341,265</u>	Cash & cash equivalents at 31 December	<u>272,674</u>

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements were authorised for issue by the Board on 8 April 2013.

Statement of Compliance

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

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

Not-for-profit status

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

Basis of Preparation

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

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

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

(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 Practicing Valuer on 25 October 2010 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 STATEMENTS
for the year ended 31 December 2012 (continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Motor Vehicles	20%
Research Equipment	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 a provision for impairment has been raised for receivables considered doubtful of collection.

(c) Cash and cash equivalents

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

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

(d) Trade and other receivables

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

(e) Impairment

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2012 (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 statement of comprehensive income 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 STATEMENTS
for the year ended 31 December 2012 (continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Accounting Standards Issued but not yet Effective

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

(l) Board Activities

The Board is not involved in the buying or selling of winegrapes. In 2012 the Board sought winery adoption of Agency Agreements that they could enter to agree to deduct and forward to the Board statutory fees and charges at a cost to the Board of 5% + GST.

The Board sought the appointment of Authorised Inspectors in accordance with the *Agricultural Industry Services Act 1998* to obtain information from purchasers that did not sign into an Agreement with the Board. The details of production obtained through this process allow the Board to individually invoice grape producers for the statutory fees and charges.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2012 (continued)

NOTE 2: OTHER INCOME

31/12/11		31/12/12
\$		\$
1,000	Advertising	5,691
13,528	Fees & Charges	16,119
2,823	Reimbursements	488
6,548	Sales	6,705
23,899		29,003

NOTE 3: RESTRICTED FUNDS - RESEARCH FUND

In 2011 and 2012 the Board applied to the Grape and Wine Research and Development Corporation (GWRDC) for funding under its Regional Grassroots extension program and was successful in obtaining \$62,500 which represented 50% of the available regional grant funds of \$125,000 in 2012/13 (\$172,125 was received in 2011, which accounted for the GWRDC financial year - July 2011 to June 2012). As 2011 project work was not completed funds were carried over into 2012. A number of 2012 commenced projects are yet to be completed and residual grant funds are currently being sought from the GWRDC.

The transactions for the year ended 31 December 2012 are detailed below:

31/12/11		31/12/12
\$		\$
68,375	Balance on 1 January	137,773
172,125	GWRDC Regional Plan – Riverina (funds received)	62,500
240,500		200,273
102,727	Research Outlays	200,273
137,773	Balance at 31 December	-

NOTE 4: FEES & CHARGES ON GROWERS

For the 2012 vintage the fees and charges were approved at \$3.90 per tonne (2011 \$3.90 per tonne) being for fresh weight of wine grapes for the purpose of funding the grower approved budget, activities and services of the Board. Charges on growers represent the grower contribution to Board services and activities via the Statutory levy. The following table shows the fees and charges received and returned during the year:

31/12/11		31/12/12
\$		\$
874,054	Fees and charges paid by growers	773,256
(489)	Levies returned (non-constituted growers) \$3.90 per tonne	(439)
(336,332)	Levies returned \$1.50 per tonne on the 2011 vintage	(1,693)
537,233	NET RECEIPTS Levies Retained	771,124

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2012 (continued)

NOTE 5: OTHER ADMINISTRATION EXPENSES

Details of the components of this item are as follows:

31/12/11		31/12/12
\$		\$
-	Agency Fees	27,516
10,630	Accountancy	10,419
38,069	Advertising, Printing & Stationery	42,537
6,851	Computer Expenses	3,927
1,667	Conferences & Seminars	1,382
23,439	Donations	1,000
10,741	Industry Functions	8,438
15,576	Insurance	14,899
17,395	Legal Fees	4,420
14,919	Motor Vehicle Expenses	15,768
12,128	Office Expenses	12,962
22,816	Postage, Telephone & Facsimile	21,142
2,586	Rates	2,842
16,468	Research & Development Function	8,930
69,500	Research Project Payments	15,696
10,232	Sponsorship	12,521
1,226	Staff training	8,873
-	Sundry	208
<u>274,243</u>		<u>213,480</u>

NOTE 6: CASH & CASH EQUIVALENTS

31/12/11		31/12/12
\$		\$
332,104	Administration Account	270,373
9,161	Grower Payments Cheque Account	2,301
<u>341,265</u>		<u>272,674</u>

Refer to note 3 for details of restricted funds

NOTE 7: TRADE AND OTHER RECEIVABLES

Amounts owing to the Board at 31 December 2012 comprise:

31/12/11		31/12/12
\$		\$
2,003	Trade Debtors	10,182
13,893	GST Receivable	24,075
-	Provision for Doubtful Debts	(4,625)
23,066	Accrued Income	32,835
<u>38,962</u>		<u>62,467</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 STATEMENTS
for the year ended 31 December 2012 (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:

31/12/11		31/12/12
\$		\$
6,186	Opening Balance	-
-	Charge for the Year	4,625
6,186	Amount written off	-
-		4,625
-		-

NOTE 8: INVESTMENTS

31/12/11		31/12/12
\$		\$
300,000	Suncorp Bank term deposit 4522 88060	-
800,000	Suncorp Bank term deposit 4522 87226	-
500,000	Suncorp Bank term deposit 4522 88117	-
-	Suncorp Bank Term Deposit 504885538	500,000
-	Suncorp Bank Term Deposit 452576430	800,000
-	Suncorp Bank Term Deposit 504885066	500,000
1,600,000		1,800,000
1,600,000		1,800,000

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2012 (continued)

NOTE 9: PROPERTY, PLANT & EQUIPMENT

31/12/11 \$		31/12/12 \$
	Land & Buildings	
	Freehold Land at:	
200,000	- independent valuation 25 October 2010	200,000
<u>200,000</u>		<u>200,000</u>
	Buildings at:	
330,000	- independent valuation 25 October 2010	337,065
(9,832)	Less accumulated depreciation	(18,096)
<u>320,168</u>		<u>318,969</u>
<u>520,168</u>	Total Land & Buildings	<u>518,969</u>
62,123	Office Equipment	58,527
(49,639)	Less: Accumulated Depreciation	(43,653)
<u>12,484</u>		<u>14,874</u>
108,882	Motor Vehicles	111,632
(19,896)	Less: Accumulated Depreciation	(19,785)
<u>88,986</u>		<u>91,847</u>
38,225	Computer Equipment	44,957
(34,250)	Less: Accumulated Depreciation	(38,227)
<u>3,975</u>		<u>6,730</u>
57,501	Research Equipment	58,901
(44,751)	Less: Accumulated Depreciation	(49,735)
<u>12,750</u>		<u>9,166</u>
<u>118,195</u>	Total Plant & Equipment	<u>122,617</u>
<u>638,363</u>	Total Property, Plant & Equipment	<u>641,586</u>

MOVEMENT IN CARRYING AMOUNTS

WDV	Land & Buildings \$	Research Equipment \$	Office Equipment \$	Motor Vehicle \$	Computer Equipment \$	Totals \$
Balance at 1 January 2011	528,418	18,150	9,184	83,394	1,746	640,892
Acquisitions	-	-	7,815	78,961	4,287	91,063
Depreciation	(8,250)	(5,400)	(4,515)	(21,669)	(2,058)	(41,892)
Disposals	-	-	-	(51,700)	-	(51,700)
Revaluation increments/decrements	-	-	-	-	-	-
Balance at 31 December 2011	520,168	12,750	12,484	88,986	3,975	638,363

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2012 (continued)

NOTE 9: PROPERTY, PLANT & EQUIPMENT (continued)

WDV	Land & Buildings \$	Research Equipment \$	Office Equipment \$	Motor Vehicle \$	Computer Equipment \$	Totals \$
Balance at 1 January 2012	520,168	12,750	12,484	88,986	3,975	638,363
Acquisitions	7,065	1,400	6,840	71,081	6,732	93,118
Depreciation	(8,264)	(4,984)	(3,695)	(21,204)	(3,977)	(42,124)
Disposals	-	-	(755)	(47,016)	-	(47,771)
Revaluation increments/ decrements	-	-	-	-	-	-
Balance at 31 December 2012	518,969	9,166	14,874	91,847	6,730	641,586

NOTE 10: TRADE AND OTHER PAYABLES

31/12/11		31/12/12
\$		\$
7,752	Trade Creditors	70,945
12,980	GST Payable	539
7,400	PAYG Withholding	5,482
25,031	Accruals	28,032
583	Credit Cards	770
<u>53,746</u>		<u>105,768</u>

NOTE 11: EMPLOYEE BENEFITS

CURRENT

31/12/11		31/12/12
\$		\$
25,263	Provision for Annual Leave	30,072
24,073	Provision for Long Service Leave	16,714
<u>49,336</u>		<u>46,786</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 STATEMENTS
for the year ended 31 December 2012 (continued)

NOTE 12: EQUITY

NOTE 12a: RESERVES

31/12/11		31/12/12
\$		\$
94,987	Opening balance	94,987
-	Net increase/(decrease) on revaluation of land & buildings	-
94,987		94,987

NOTE 12b: RETAINED EARNINGS

31/12/11		31/12/12
\$		\$
2,442,393	Retained earnings at the beginning of the financial year	2,420,521
(21,872)	Surplus for the year	108,665
2,420,521	Retained earnings at the end of the financial year	2,529,186

Revaluation Reserve

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

NOTE 13: RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO OPERATING RESULT

31/12/11		31/12/12
Inflows		Inflows
(Outflows)		(Outflows)
\$		\$
(21,872)	OPERATING RESULT	108,665
	Adjustments for:	
41,892	Depreciation	42,124
(4,738)	(Gain)/Loss on Sale of Assets	1,407
16,886	(Increase)/Decrease in Receivables	(13,737)
(7,174)	(Increase)/Decrease in Accrued Income	(9,769)
-	(Increase)/Decrease in Prepayments	-
921	Increase/(Decrease) in Payables	52,024
13,050	Increase/(Decrease) in Employee Entitlements	(2,550)
38,965	Net Cash provided by operating activities	178,164

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2012 (continued)

NOTE 14: 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:

2011	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	4.00%	341,265	-	-	-	-	341,265
Term Deposits	6.00%	-	1,600,000	-	-	-	1,600,000
Trade and Other Receivables	-	-	-	-	-	24,351	24,351
		341,265	1,600,000	-	-	24,351	1,965,616
Financial Liabilities							
Payables		-	-	-	-	33,366	33,366
	N/A	-	-	-	-	33,366	33,366

2012	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	3.00%	272,674	-	-	-	-	272,674
Term Deposits	5.01%	-	1,800,000	-	-	-	1,800,000
Trade and Other Receivables	-	-	-	-	-	38,393	38,393
		272,674	1,800,000	-	-	38,393	2,111,067
Financial Liabilities							
Payables		-	-	-	-	99,747	99,747
	N/A	-	-	-	-	99,747	99,747

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2012 (continued)

NOTE 14: FINANCIAL INSTRUMENTS (continued)

(c) Credit Risk

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

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

(d) Net Fair Value

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

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

Fair Values	Carrying Amount 2011 \$	Fair Value 2011 \$	Carrying Amount 2012 \$	Fair Value 2012 \$
Financial Assets				
Cash and Cash Equivalents	341,265	341,265	272,674	272,674
Trade and other Receivables	24,351	24,351	38,393	38,393
Other Investments	1,600,000	1,600,000	1,800,000	1,800,000
Financial Liabilities				
Trade and other Payables	33,366	33,366	99,747	99,747

(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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2012 (continued)

NOTE 15: COMMITMENTS

There was no capital or other operating expenditure commitments as at 31 December 2012 (2011: nil).

NOTE 16: CONTINGENT LIABILITIES

The Board is not aware of any contingent liabilities as at the date of signing off the accounts (2011: nil).

NOTE 17: SEGMENT REPORTING

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

NOTE 18: RELATED PARTY TRANSACTIONS

During the 2012 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 19: KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the board, either directly or indirectly. The key management personnel of the Board comprise the directors, and executive management who are responsible for the financial and operational management of the Board.

31/12/11		31/12/11
\$		\$
169,222	Total Compensation – Short-Term Benefits	173,126
12,449	Total Compensation – Long-Term Benefits	12,706
<u>181,671</u>		<u>185,832</u>

NOTE 20: FINANCIAL RISK MANAGEMENT

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

(a) Liquidity risk

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

(b) Credit risk

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2012 (continued)

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

(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 14.

(d) Sensitivity analysis

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

31/12/11 \$		31/12/12 \$
	Change in surplus	
3,413	Increase in interest rate by 1%	2,727
(3,413)	Decrease in interest rate by 1%	(2,727)

31/12/11 \$		31/12/12 \$
	Change in equity	
3,413	Increase in interest rate by 1%	2,727
(3,413)	Decrease in interest rate by 1%	(2,727)

NOTE 21: SUBSEQUENT EVENTS

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

End of Audited Accounts

WINE GRAPES MARKETING BOARD - 2013 CONSOLIDATED BUDGET

2012 Budget	2012 Actual	EXPENSE ACCOUNTS	Notes	2013 Budget
INCOME				
\$858,000	\$771,124	2013 Rates 210,000 tonnes @ \$3.90/t	1	\$819,000
\$85,000	\$106,865	Interest from Bank Accounts	2	\$90,000
\$7,900	\$29,003	Income from Operating Activities	3	\$20,150
\$24,000	-	Proceeds from Sale of Assets		\$24,000
-	\$62,500	Research Funds (GWRDC Grassroots)	4	\$62,500
\$974,900	\$969,492	TOTALS		\$1,015,650
OPERATING EXPENDITURE				
\$8,500	\$10,419	Accountancy Fees		\$8,500
\$44,470	\$42,537	Advertising, Printing and Stationery		\$30,570
-	\$27,516	Agency Fees (5% collection charge)	5	\$36,750
\$18,500	\$18,151	Audit Fees – Statutory		\$18,500
\$900	\$990	Bank Fees and Charges		\$900
\$52,000	\$51,045	Board Fees, Allowances and Super.		\$52,000
\$3,770	\$3,927	Computer Expenses		\$4,720
\$3,320	\$1,382	Conferences/Seminars		\$1,970
\$168,300	\$200,858	Consultancy Costs	6	\$38,200
\$41,152	\$42,124	Depreciation Expense		\$41,152
\$2,000	\$1,000	Donations		\$2,000
\$3,800	\$6,630	Fringe Benefits Tax		\$3,800
\$13,700	\$8,438	Industry Functions		\$8,700
\$15,131	\$14,899	Insurance		\$15,131
\$22,500	\$4,420	Legal Fees		\$15,000
-	\$1,407	Loss on Sale of Assets		-
\$11,920	\$15,768	Motor Vehicle Operating Expenses		\$8,420
\$11,410	\$12,962	Point of Access Office Expenses		\$6,170
\$27,930	\$21,142	Postage, Telephone & Facsimile		\$17,525
\$5,000	(\$-2,550)	Employee Leave Entitlements	7	\$6,200
\$2,200	\$2,842	Rates		\$2,200
\$2,600	\$8,930	Research Consumables	8	\$8,450
\$57,000	\$15,696	Research Payments		\$1,500
\$297,793	\$292,056	Salaries, Wages and Superannuation		\$305,483
\$10,000	\$12,521	Sponsorship		\$10,000
\$4,250	\$8,873	Staff Training	9	\$2,500
\$86,830	\$24,121	Subscriptions	10	\$85,980
\$100	\$208	Sundry Expenses		\$1,100
\$30,500	\$12,515	Travelling Expenses		\$17,700
\$945,576	\$860,827	SUB TOTAL		\$751,121
CAPITAL EXPENDITURE				
\$5,000	\$7,065	Building Expenditure	11	\$5,000
\$35,000	\$71,081	Motor Vehicles Purchase	12	\$38,500
-	\$6,840	Office equipment	13	-
\$3,500	\$6,732	Computer equipment	14	-
-	\$1,400	Research equipment	15	-
\$43,500	\$93,118	SUB TOTAL		\$43,500
\$989,076	\$953,945	TOTAL EXPENDITURE		\$794,621
(\$14,176)	\$15,547	SURPLUS/(DEFICIT)		\$264,529

The above 2013 Budget was presented to growers 5 December 2012 with a \$3.50 per tonne proposal. Growers at the meeting agreed by motion to increase this proposed amount to \$3.90 per tonne for the 2013 financial year.

NOTES TO THE 2013 CONSOLIDATED BUDGET

The following is to explain select items of the budget.

NOTE 1: RATES INCOME

In 2012 the Budget for 2013 was presented to growers at a properly convened meeting 5 December 2012 for the purposes approving the 5 year strategic plan and the rate per tonne to apply in 2013. The Board had proposed that the rate be set at a rate of \$3.50 per tonne. Growers at the meeting by motion agreed that the rate remain \$3.90 per tonne to enable the Board more flexibility in activities and allow the Board to return excess funds each year.

NOTE 2: INTEREST FROM BANK ACCOUNTS

The high level of income reflects the investing activities of the Board in fixed term deposits.

NOTE 3: INCOME FROM OPERATING ACTIVITIES

Income is derived from advertising, publication sales, reimbursements, Riverina Field Day and the sale of baume kits. The main source of income is from the sale of HACCP related docket books and spray diaries to regional wineries.

NOTE 4: RESEARCH FUNDS (GRWDC GRASSROOTS)

Due to the timing of the financial years of the GWRDC the income in 2012 reflects only 50% of the total funded project work.

NOTE 5: AGENCY FEES

This was a new expense to the Board due to the repeal of the *Wine Grapes Marketing Board (Reconstitution) Act 2002*

NOTE 6: CONSULTANCY FEES

Consultancy Fees are anticipated to remain high as a reflection of the GWRDC funded Regional Grassroots Program work being undertaken by the Board using external consultants.

NOTE 7: EMPLOYEE LEAVE ENTITLEMENTS

A decline in employee leave entitlements occurred in 2012 due to staff taking accrued annual and long service leave.

NOTE 8: RESEARCH CONSUMABLES

The increase in this expense area is a direct result of increased project work through the GWRDC Grassroots.

NOTE 9: STAFF TRAINING

The rise is attributed to the IDO being selected to participate in the Wine Industry Leadership program.

NOTE 10: SUBSCRIPTIONS

Subscriptions account for the funding of approved services through Wine Grape Growers Australia. Activities such as funding of the Code of Conduct Administration Committee, vine health management and research and development priorities. Other subscription expenses include NSW Wine Industry Association, National and New South Wales Irrigators Council and the Grapegrowers and Vignerons magazine.

NOTE 11: BUILDING EXPENDITURE

The Board constructed a shed at the back of its premises to store research, development and extension equipment.

NOTE 12: MOTOR VEHICLE PURCHASE

Two motor vehicles were replaced in the 2012 financial year. The Board changes vehicles after 40,000kms.

NOTE 13: OFFICE EQUIPMENT

The phone system was upgraded and digital scanners to assist the HACCP audit were purchased.

NOTE 14: COMPUTER EQUIPMENT

The Board replaced 2 laptops and 1 desktop computer that us used for managing the database.

NOTE 15: RESEARCH EQUIPMENT

The continued to invest in weather stations during 2012. Another station was purchased to increase the geographical area covered by this service.



Riverina
WINE GRAPES
MARKETING BOARD

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