



WINE GRAPES MARKETING BOARD

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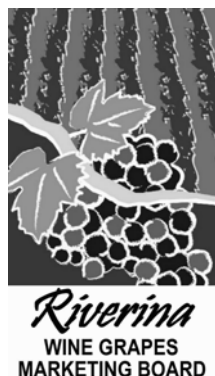
ANNUAL REPORT 2021

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

Serving
Riverina
Winegrape
growers
since
1933

WINE GRAPES MARKETING BOARD

Annual Report for 2021



Wine Grapes Marketing Board

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Postal: PO Box 385 GRIFFITH NSW 2680
Telephone: 02 6962 3944
Facsimile: 02 6962 6103
Email: board@wgmb.net.au
Website: www.riverinawinegrapes.com.au

Board Executive

Chairman

Bruno Brombal
Mobile: 0429 630 465

Deputy Chairman

Robert Bellato
Mobile: 0408 477 210

Staff

Chief Executive Officer

Jeremy Cass
Mobile: 0438 388 828
Email: jcass@wgmb.net.au

Extension Officer

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

Office Manager

Julie McMahon
Email: jmcMahon@wgmb.net.au

Annual General Meeting

Wednesday 22 June 2022
Yoogali Club
YOOGALI NSW 2680
Commencing at 7:00pm

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Letter to the Minister

1 March 2022

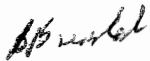
The Hon. Dugald Saunders, MP
Minister for Agriculture and Western New South Wales
NSW Parliament House
SYDNEY NSW 2000

Dear Minister

The Wine Grapes Marketing Board, on behalf of all wine grape growers in the City of Griffith and the Local Government Areas of Leeton, Carrathool and Murrumbidgee, has pleasure in presenting the report for the year ended 31 December 2021 for tabling in the NSW Parliament.

This 88th 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 Government Sector Finance Act 2018.

Yours sincerely



Bruno Brombal
Chairman

Chief Executive Officer Report

Welcome to the Wine Grapes Marketing Board's 2021 Annual Report of its operations and financials. This report contains a copy of the minutes of the previous Annual General Meeting that was held Wednesday 23 June 2021 for your information.

In 2021 the Board introduced its Strategic Operations Plan 2022 – 2026 in accordance with the NSW Government's requirements under the *Agricultural Industry Services Act 1998*. The Strategic Planning and Budget meeting was held 27 October 2021.

The 2021 season for all growers in the Riverina yielded 351KT (302KT in 2020, 323KT in 2019, 329KT in 2018) of winegrapes were harvested at a regional average purchase price per tonne of \$464 (\$504 in 2020, \$478 in 2019, \$399 in 2018). White winegrapes averaged \$401 (\$399 in 2020, \$385 in 2019) and red winegrapes \$534 (\$618 in 2020, \$586 in 2019) according to *Wine Australia's 2021 National Vintage Report*.

The NSW Government review of the Board operations which began in April 2017 reported to the Board in August 2020. In 2021 the Minister advised the Board that a consultation phase will occur with members in 2022 prior to renewing the Board's legislation which lapses in September 2022. This advice was well received by the Board as prior to this it was informed a vote of its members would need to occur.

Statutory Compliance

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

Application for Extension of Time

The Board did not apply for an extension of time to publish its Annual Report for 2021.

Charter of the Board

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

Agricultural Industry Services of the Board

- (a) the development of a code of conduct for contract negotiations between wine grape growers and wineries,
- (b) the development of draft contract provisions with respect to the sale of MIA wine grapes to wineries, including provisions with respect to:
 - (i) The prices to be paid by wineries, and

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

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

Access

The office is located at 182 Yambil Street Griffith NSW.

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

Website: www.riverinawinegrapes.com.au

The Board office is open 5 days per week 8:30am-5:00pm Monday – Friday

Management & Structure

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

Elected members' terms cease 23 October 2024.

Appointed members' terms cease 2 February 2023.

Board Members during 2021

- Bruno Brombal (Chairman - Executive)
- Robert Bellato (Deputy Chair - Executive)
- Steven Barbon (appointed)
- Bruno Altin
- Frank Alampi
- Dom Schirripa (appointed)
- Tony Baggio

Meetings of the Board

During the 12 months to 31 December 2021 there were 12 general meetings, 2 public meetings of the Board.

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

Public Meetings held in 2021 were the Annual General Meeting and the Strategic Planning and Budget setting meeting (November).

Board Member Meeting Attendance

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

Members are also able to join meetings online.

Member	Meetings attended	Available meetings	%
Bruno Brombal	14	14	100%
Robert Bellato	14	12	86%
Steven Barbon	14	13	93%
Tony Baggio	14	12	86%
Bruno Altin	14	13	93%
Dom Schirripa	14	10	71%
Frank Alampi	14	12	86%

Other meetings attended by the Members representing the Board.

March

Tony Baggio – National Irrigators Council

May

Bruno Altin – NSWIA

Tony Baggio – ACCC meeting re Water Market

June

Tony Baggio – National Irrigators Council

Frank Alampi – RWA

Bruno Altin – British Columbia Grape Growers re Starlings

Bruno Brombal – IWRA

Frank Alampi, Bruno Brombal, Robert Bellato, Bruno Altin, Steven Barbon, Tony Baggio – ACCC

July

Robert Bellato – HACCPx2

Bruno Altin – NSWIA Innovation Forum

Frank Alampi – RWA AGM

Bruno Brombal – RWA AGM

August

Bruno Altin – NSWIA Bush Fire Forum

Bruno Brombal – IWRA Strat Plan and GCC Water Forum

September

Tony Baggio – National Irrigators Council

Bruno Altin – NSWIA Project

Bruno Brombal – IWRA

October

Tony Baggio - National Irrigators Council

Bruno Brombal - IWRA

Bruno Altin - Projects

December

Tony Baggio – National Irrigators Council AGM

Tony Baggio – National Irrigators Council general

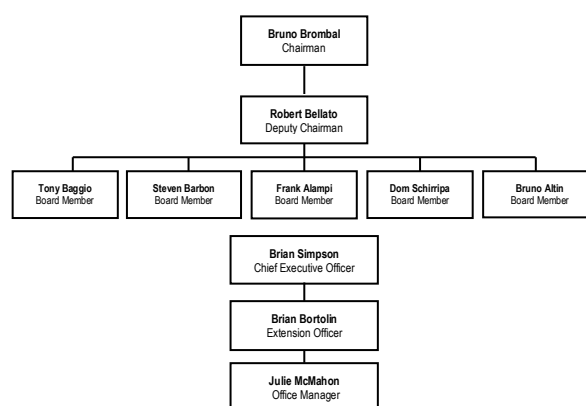
Tony Baggio – HACCP

Bruno Altin – NSWIA Project

For the special or extra meetings, including monthly board meets plus AGM in June and Strategic Plan in October members received a payment of \$250 on top of their base payments (up to the maximum rate per annum).

Members Bruno Brombal, Tony Baggio, Bruno Altin all reached their maximum limits in Board fee payments for 2021, all attending at least 20 meetings representing the Board and growers.

Organisation Chart 2021



Board Staff

From 1 Jan 2021 - 31 Dec 2021 staff members were:

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

Summary Review of Operations

There were no significant programs or operations undertaken by the Board during 2021.

Funds Granted to Non-Government Community Organisations

There were no funds donated in 2021.

Legal Change

There was no legal change to the organisation during 2021.

Economic or Other Factors

The Board enters into agency agreements with grape purchasers and processors to deduct the Board statutory fees and charges from grower payments and forward these to the Board. The agency agreements were well adopted in 2021 with the Board being required to pay 5% (+ GST) of the \$3.90 per tonne to the wineries \$44690 (\$36,981 – 2020 \$41,265 - 2019, \$42,929 - 2018).

Management & Activities

A review of the strategic operations of the Board was conducted by the Board during 2021. This was presented to growers in the *WGMB Strategic Operations Plan 2022-2026 and Operating Budget for 2021* publication, which was made available to all growers. The Plan was adopted at a meeting of growers held in October 2021 at which time the rate for the Board's grower fees and charges was set (\$3.90 per tonne fresh weight) no GST applies.

Research & Development

The Board did not undertake any specific research and development in 2021.

The Board undertook to fund another aerial flyover for the region to update the geographical information held pertaining to grower farms.

Human Resources

During 2021 the Board employed 3 permanent staff.

- 1 FTE x Chief Executive Officer (CEO)
- 1 FTE x Extension Officer (EO)
- 0.6 FTE x Office Manager (OM)

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

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

In September 2021 the CEO Brian Simpson advised that he would not be seeking to renew his contract. A recruitment company was engaged, The Lucas Group to assist in finding a replacement.

Consultants and Research Payments

The Board engaged the services of 1 accountant regionally based that were appointed by the NSW Government in accordance with the *Agricultural Industry Services Act 1998* to act as Authorised Inspectors for the Board for the purposes of ensuring completeness of revenues.

Mr Colin Harris, Audit and Risk Services, Wagga Wagga, NSW.

- Authorised Inspections fees \$540 - 2021 (\$180 - 2020, \$0 - 2019, \$0 - 2018)

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

A total of five (5) consultants were engaged in 2021 costing a total of \$48,597 - 2021 (\$68,533 - 2020, \$7,261 - 2019, \$4,050 - 2018) excluding GST. The costs include:

• Management Resource Plus – HACCP	\$ 760
• Audit and Risk Services	\$ 540
• NSW Electoral Commission	\$ 4,198
• NSW DPI	\$27,500
• Lucas Group	\$15,599

The NSW DPI expense is directly related to the part funding of a NSW DPI appointed staff member to work in the region as a Development Officer Viticulture based in the Riverina.

Equal Employment Opportunity

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

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

Disability Plans

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

Land Disposal

No disposal of property or land occurred within the 2020 Financial Year.

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

Promotion

In 2021 the Board did not undertake any promotions. (\$21,591 in 2020, \$27,655 in 2019, \$29,610 in 2018)

The Riverina Winemakers Association promotional activities held in 2021 was funded from funds held over by them from 2020.

Sponsorship

In 2021 the Board did not undertake any sponsorship. (2020 - \$0, 2019 - \$12,000)

Consumer Response

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

Payment of Accounts

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

Number of Days	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
0-30 days	\$55442	\$63679	\$36367	\$226767
30-60 days	-	-	-	-
60-90 days	-	-	-	-
90+ days	-	-	-	-
\$ Total	\$55442	\$63679	\$36367	\$226767
% 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 21 January 2013 the Board received an exemption from the requirements of TPP 09-05.

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

Disclosure of Controlled Entities

The Board does not have any controlled entities.

Disclosure of Subsidiaries

The Board does not have any subsidiaries.

Multicultural Policies and Services Program

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

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

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

Agreements with Community Relations Commission

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

Workplace Health & Safety

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

Waste

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

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

Numbers of Executive Officers

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

Public Access of Information

The Board reviewed its public access policy and publication guide in accordance with *Government Information (Public Access) Act 2009, Section 7, Clause 3*, at its general meeting held in November 2020.

During 2021 the Board received 31 formal requests for information (29 in 2020, 46 in 2019, 65 in 2018) under the provisions of the *Government Information (Public Access) Act 2009*. These related directly to growers farm details held by the Board (farm maps). No

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

No applications were refused by the Board.

Public Interest Disclosures

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

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

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

Electronic Service Delivery

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

The Board uses email and SMS to communicate with growers during the growing season.

Publication Guide

In accordance with the NSW Office of the Information Commissioner under the *Government Information (Information Commissioner) Act 2009* the Board published a Guide to all material that it publishes and how members and the general public can access this. A copy of the Publication Guide is located on the Board's website and was updated and approved by the Board in October 2021.

Appointed Auditors

The NSW Audit Office appointed Johnsons MME from Albury as its agent for the 2021 Audit.

Annual Reports

The Board produced 300 copies of this Annual Report to enable it to be sent to all constituents and to comply with statutory requirements. Annual reports cost \$7.12 per copy + GST, these were printed locally (\$5.99 + GST in the prior year).

Financial Year of the Board

1 January to 31 December.

2021 Annual General Meeting

Wine Grapes Marketing Board

presents Annual Report 2020

23 June 2021 commencing at 8:02pm

Yoogali Club Yoogali NSW 2680

Attendance

35 Constituted Growers: Frank Alampi (Board Member), Bruno Altin (Board Member), Nathan Arcifa, Armando Armanini, Anthony Baggio (Board Member), Steven Barbon (Board Member), Glen Bavaresco, Bob Bellato (Deputy Chair), Eric Berton, Brian Bortolin

(Extension Officer), Bruno Brombal (Chairman), Louis Cadorin, Mark Cadorin, Rick Ceccato, Peter Cremasco, James Cremasco, Gus Cristofaro, Leo De Paoli, Pio Foscari, Sam Mancini, Joe Maugeri, Gary Morandin, Ray Pasto, Laurence Pellizer, Bruno Ragusa, Dennis Rossetto, Laurence Salvestro, Tony Sergi, Bob Sjollema, Glen Snaidero, Mitchell Strano, John Strano, Steve Torresan, Giulio Toscan, John Vitucci.

Non-Voting attendees: Kathleen Altin, Sergio Altin, Ezio Arcifa, Leo Arcifa, Mario Arcifa, Veronica Armanini, Anne Bortolin, Joe D'Aquino, Katie Dunne (NSWDPI), Xavier Mancini, Sharon Maugeri, Myles Parker (NSWDPI) Anna Pellizer, Tony Ragusa, Jack Torresan, Anthony Vitucci.

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

Apologies: David Rossetto, Gary Bugno, Matt Bugno, Pascal Guertin, Mario Foscari, Dom Schirripa (Board Member) Steven Cadorin.

Minutes of the previous Annual General Meeting 2019

Copies of the minutes had been included in the Annual Report for 2020 for members.

That the minutes be accepted as a true and accurate record of 25 November 2020 meeting:

MOVED:

Eric Berton

SECONDED:

Nathan Arcifa

CARRIED

1.1 Business Arising from the Minutes

No business was raised from the previous minutes.

2. Chairman's Report – Bruno Brombal

The crop levels in 2021 up to 350KT on the prior year and could have been higher with 7KT being lost due to hail damage and 1.5KT to berry rot due to the unseasonal rain. Nationally it is being report that the crop will be 2MT.

Board election will be held at the end of 2021. If you are considering putting your hand up please speak to any of the members of the Board about what it involves. At the same time a vote will be called requiring 60% of growers to vote on the industry functions of the Board. In the next 3-4 months staff will be meeting growers to talk about the election process.

This year McWilliam's Wines sold to Calabria Family Brands. I am concerned about the lack of competition in the region.

Grape spillage across the Riverina region was a big issue this vintage with the RMS calling the Chair to advise of their concerns. Predominately Semillon and other white varietals. There is a meeting scheduled for 15th July 2021 with the SA Wine Industry Association to discuss the industry code going forward. This is on the back of two deaths in Buronga as people drove through spillage and lost control of their vehicle.

Code of Conduct continues to disappoint as only one signatory in the region which came out early in with extremely low winegrape prices.

The recently met with the ACCC to discuss its concerns about grape price notification and the lack of competition in the region. The Board is proposing that a single date and independent body should be setup for all prices to be released prior to harvest.

China – major cut back on exports to this country. Wineries in the region affected around 10% of their sales but are still doing alright. Domestic sales have risen during COVID19.

Grape exports account for around 1.1MT of winegrapes with our major markets for inland regions being UK 380KT, USA 190KT and China 180KT.

The stock to sales ratio should be looking good for the supply of the industry.

The UK trade agreement is a good sign for the industry along with the losses in France of around 2MT of winegrapes to frost and some impacts in Spain.

The Inland Wine Regions Alliance is moving ahead and looking at grower issues, stock ratios. We will continue to get information out to growers via the Vine Chat to keep you informed of the market conditions.

Thank you to the members of the Board and staff over the past 12 months and a thanks to the growers for their continued support.

That the Chairman's report be accepted -

MOVED: Peter Cremasco

SECONDED: Bruno Altin
CARRIED

3. Financial Report – Brian Simpson CEO

The CEO presented the income and expenditure statements as per the Annual Report for 2020. The Board recorded a moderate financial surplus:

That the Annual Report for 2020 be adopted -

MOVED: Tony Baggio

SECONDED: Eric Berton **CARRIED**

4. General Business

4.1 Cost of Vineyard Development – Brian Bortolin Extension Officer

A thorough presentation on the costs of vineyard plantings indicates that to replace and train a 20 hectare vineyard is \$562,928 or \$28,146 per hectare.

5. Other Business

5.1 ACCC Issues

Growers asked why the ACCC had not acted in relation to better terms of payment as they suggested they would during the investigation into the industry.

The Chair advised that the Board is not sure where they are up to in relation to this matter.

5.2 China Issues

Growers asked where China was getting its wine from if they were no longer purchasing from Australia.

Chile is the main source of the replacement wine.

5.3 Costs of Production

Growers were advised to speak with the Board prior to redeveloping vineyards and to use the spreadsheets that were available.

5.4 Board reserve Funds

Growers asked if the Board to reduce the levy charge and use reserve funds held in its account.

Members were advised that a decision would need to be made by growers at the budget meeting to reduce the amount per tonne charged on members.

Being no further business, the meeting was declared closed at 9:10pm.



NSW Wine Industry Association Report

Summary

It feels like Covid 19 is the gift that keeps on giving. We are seeing the impacts of Covid all the way from the Australian Wine Export report right down to how we deal with our staff and vintage. It does feel like we are getting closer to a time where either Covid starts to peter out, or we make the decision to live with it and it comes out of the headlines.

It seems to me that we need to focus in 2022 on what our clear priorities are and to make sure that our strategy for the NSWWIA is current and valid.

In good news, it does seem that there is support available. The government at both a state and a federal level continues to offer support for the NSW Wine Industry, both directly through the MOU and indirectly through various grants and support mechanisms. We are clearly heading into election mode both federally and at a state level. Now is the time to lock the government in for the future years support packages.

Vintage 2022 is upon us. There are some pressures due to both the supply demand situation that was caused by China, Covid and last year's large harvest, and also the significant rain events we have had across the state. It was clear by speaking to our South Australian colleagues that there will be strong downward pressure on grape prices (especially red) and that there may even be grapes (again particularly in SA) that may stay on the vines this vintage. As a contrast, there are a number of NSW regions that need a good healthy harvest to fill tanks and eventually bottles for the increasing demand.

Highlights of the last year are:


- MOU (Memorandum of Association) signing with an additional \$600k per year for 2 years
- The Innovation Conference in Griffith, NSW, resulting in a new prospectus for RDEB projects. Thanks to the Riverina Winegrape Growers for supporting this endeavour.
- The growing relationship with NSW DPI, especially DPI, where we saw the employment of a new role in Biosecurity and Sustainability (Maggie Jarrett) as well as a new development officer based in Griffith (Katie Dunne). Darren Fahey continues to do great work and is currently a finalist in the ASVO Viticulturist of the year awards.
- The National Bushfire conference in May 2021 which was joined by a great Shiraz Symposium
- The ICC Sydney 2020 NSW Wine Awards which saw large number of entries and was one of the few major shows to run in 2020.
- The 2021 NSW Sommeliers Wine List Awards that were presented at NSW Government House by Her Excellency, the Governor of NSW. Well done on a terrific initiative
- Agskilled 2.0 Program with \$15m across all Horticultural industries to be spent on education in the next 3 years. Mark Bourne has done the wine industry a tremendous service in this area.
- Weather stations. Ownership outside of the Riverina has fully transferred to the NSW Wine Industry. Many of these units require repairs, but they serve an essential service to our industry.
- Communications have again been ramped up this year. We have launched a new website, which is a vast improvement on the old one.
- The role of the NSW Wine Industry Association continues to gain profile both in the state of NSW and across the country. We are seen as a strong state body, with good collaboration and ideas.
- There are changes happening at NSW's significant education and research institution, Charles Sturt University. The associated research organisation, the NWGIC will morph into the AWE centre (as a much bigger institution). This has the potential to be both good and bad. We need to make sure that the Wine Industry is at the forefront of their thinking.

For us the focus in the next months is:

- Implement the reminder of the 2021 / 2022 MOU, both in the Export area and also the Domestic Trade and Tourism area.
- Work towards the drawing up of the Election Policy Document in NSW
- Work on the 2022 Sommeliers Wine List Awards
- Look towards the involvement of the NSWIA in the AWITC 2022
- Review and then maximise the situation with the Weather Stations
- Work with all parties to maximise the opportunities in the RDEB space
- Where possible, get back out to the regions and to grow the collaboration and communications.

I would like to welcome Jeremy Cass, CEO of the Riverina Winegrape Growers into the role, as well as Frank Alampi onto the board of the NSWIA. At the same time acknowledging the strong work of their predecessors, Brian Simpson, and Bruno Altin. I would particularly like to acknowledge the support, direction (and sometimes challenge) given to the NSW Wine Industry Association from Brian Simpson.

Lastly, at the time of writing, there does seem to be some significant movement in the Research, Development and especially Extension space. There is a new CEO at Wine Australia, large changes at CSU in Wagga Wagga with the opening of the AWE (Agriculture, Water and Environment) Institute, and there seems to be a drive to push research out into the big regions. We think that this may offer the Riverina a great opportunity to secure funds and research to assist the industry here to be more sustainable and profitable into the future. We need to make sure that we are well represented in this opportunity.



Angus Barnes
Executive Officer
NSW Wine



INDEPENDENT AUDITOR'S REPORT

Wine Grapes Marketing Board

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Wine Grapes Marketing Board (the Board), which comprise the Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 December 2021, the Statement of Financial Position as at 31 December 2021, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Board as at 31 December 2021, 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 7.6 of the *Government Sector Finance Act 2018* (GSF Act) and the *Government Sector Finance Regulation 2018*

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

Basis for Opinion

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

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

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

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

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

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

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

The Board's Responsibilities for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions. The member of the Board's responsibilities also includes such internal control as the members of the Board determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the members of the Board are responsible for assessing the Board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Board will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does not provide assurance:

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



Min Lee
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

3 March 2022
SYDNEY

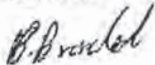
WINE GRAPES MARKETING BOARD
for the City of Griffith and the Local Government Areas of Leeton,
Carrathool and Murrumbidgee

STATEMENT BY THE ACCOUNTABLE AUTHORITY

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* ('the Act'), We state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and
- present fairly the Wine Grapes Marketing Board's financial position, financials performance and cash flows.

Signed: Bruno Brombal
Chairman



Signed: Robert Bellato
Deputy Chairman



Dated this day the 1 March 2022

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

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
for the Year Ended 31 December 2021

31/12/20		Note	31/12/21
\$			\$
	INCOME		
5,102	Other Income	2	7,584
22,483	Interest		4,929
736,869	Fees and Charges on Growers	3	896,566
(3,112)	Gain/(Loss) on Sale of Assets		3,995
761,342	TOTAL INCOME		913,074
	EXPENDITURE		
17,500	Audit Fees		17,940
1,027	Bank Fees		953
93,368	Board Fees, Allowances & Superannuation		93,422
68,533	Consultancy Fees		48,598
35,838	Depreciation		38,388
8,200	Fringe Benefits Tax		4,590
150,474	Other Administration Expenses	4	165,892
284,363	Salaries, Wages & Superannuation	5	292,695
63,745	Subscriptions		58,057
1,253	Travelling Expenses		2,424
(3,292)	Employees Leave Entitlements		(19,885)
21,591	Promotion		-
742,600	TOTAL EXPENDITURE		703,074
18,742	SURPLUS/(DEFICIT) FOR THE YEAR		210,000
	- OTHER COMPREHENSIVE INCOME		-
	<i>Items that will not be reclassified subsequently to Profit and Loss:</i>		
	- Revaluation increment for Property, Plant and Equipment		-
18,742	TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		210,000

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

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

STATEMENT OF FINANCIAL POSITION
as at 31 December 2021

31/12/20	CURRENT ASSETS	Note	31/12/21
\$			\$
1,449,635	Cash & Cash Equivalents	6	2,182,326
23,840	Trade and Other Receivables	7	26,292
500,000	Investments	8	-
16,126	Prepayments	9	16,483
<u>1,989,601</u>	Total Current Assets		<u>2,225,101</u>
	NON-CURRENT ASSETS		
817,553	Property, Plant & Equipment	10	853,998
<u>817,553</u>	Total Non-Current Assets		<u>853,998</u>
<u>2,807,154</u>	TOTAL ASSETS		<u>3,079,099</u>
	CURRENT LIABILITIES		
60,209	Trade and Other Payables	11	142,039
30,169	Employee Benefits	12	8,818
<u>90,378</u>	Total Current Liabilities		<u>150,857</u>
	NON-CURRENT LIABILITIES		
3,939	Employee Benefits	12	5,405
<u>3,939</u>	Total Non-Current Liabilities		<u>5,405</u>
<u>94,317</u>	TOTAL LIABILITIES		<u>156,262</u>
<u>2,712,837</u>	NET ASSETS		<u>2,922,837</u>
	EQUITY		
334,370	Reserves	13(a)	334,370
2,378,467	Retained Earnings	13(b)	2,588,467
<u>2,712,837</u>	TOTAL EQUITY		<u>2,922,837</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 2021

31/12/20	Note	31/12/21
\$		\$
RESERVES		
	Asset Revaluation Reserve	
334,370	Balance on 1 January	334,370
-	Net increase on revaluation of land & buildings	-
334,370	Balance on 31 December	334,370
RETAINED EARNINGS		
2,359,725	Balance on 1 January	2,378,467
18,742	Surplus/(Deficit) for the year	210,000
2,378,467	Balance on 31 December	2,588,467
2,712,837	TOTAL EQUITY	2,922,837

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

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

STATEMENT OF CASH FLOWS
for the Year Ended 31 December 2021

31/12/20 Inflows (Outflows) \$	Note	31/12/21 Inflows (Outflows) \$
CASH FLOWS FROM OPERATING ACTIVITIES		
RECEIPTS		
740,814	Wineries & Growers	895,852
46,059	Interest Received	9,653
5,612	Other	8,382
792,485		913,887
PAYMENTS		
(374,895)	Employee Benefits	(381,331)
(349,606)	Payments to Suppliers	(229,027)
(4,035)	Payments to Growers	-
(728,536)		(610,358)
NET CASH PROVIDED BY OPERATING		
63,949	14	303,529
CASH FLOWS FROM INVESTING ACTIVITIES		
25,455	Proceeds from Sale of Fixed Assets	34,545
(63,851)	Payments for Property, Plant & Equipment	(105,383)
1,300,000	Payments (proceeds) for Investments	500,000
1,261,604	NET CASH USED IN INVESTING ACTIVITIES	429,162
NET INCREASE/(DECREASE) IN CASH AND CASH		
EQUIVALENTS		
1,325,553		732,691
124,082	Cash & cash equivalents at 1 January	1,449,635
1,449,635	Cash & cash equivalents at 31 December	2,182,326

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 2021

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 1 March 2022.

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 7.6 of the Government Sector Finance Act 2018.

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

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

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

Changes in Accounting Policies

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

(a) Property, Plant & Equipment

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

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

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

WINE GRAPES MARKETING BOARD
for the City of Griffith and the Local Government Areas of Leeton,
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Property, Plant & Equipment (continued)

Decreases in the carrying amount arising from the revaluation of land & buildings are recognised as an expense, except to the extent that prior increases are included in the asset revaluation reserve, in which case the decrease is debited to the asset revaluation reserve to the extent of remaining increases.

Depreciation

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

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

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

(b) Financial Instruments

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

Receivables

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

(c) Cash and Cash Equivalents

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

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

(d) Trade and Other Receivables

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

(e) Impairment

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Employee Benefits

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

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

(g) Trade and other Payables

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

(h) Revenue

Fees and Charges on Growers

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

Interest Revenue

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

Grant Revenue

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

Other Revenue

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

(i) Income Tax

The Board is exempt from income tax.

(j) Goods and Services Tax

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Accounting Standards issued but not yet effective

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

(l) Board Activities

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

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

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

(m) Fair Value of Assets and Liabilities

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

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

NOTE 2: OTHER INCOME

31/12/20		31/12/21
\$		\$
182	Reimbursements	4,911
630	Sales	950
2,558	Sample testing	1,723
750	DPI Vine watch reporting	-
982	Other	-
5,102		7,584

NOTE 3: FEES & CHARGES ON GROWERS

For the 2021 vintage the fees and charges rate was approved by a formal motion of members at \$3.90 per tonne (2020 \$3.90 per tonne was approved) being for fresh weight of wine grapes for the purpose of funding the grower approved budget, activities and services of the Board. Charges on growers represent the grower contribution to Board services and activities via the statutory charge. An amount of \$1,316 pertaining to 2020 fees and charges was notified to the Board in 2021 and this account was paid in 2021.

A number of growers received a return of \$3.90 per tonne in 2021 as they produced less than 20 tonnes in the year (84.36 tonnes in total across 6 growers - \$329 returned) and in accordance with the legislation are not defined as a constituted grower. Where necessary the Board is also holding funds from prior year returns to growers that have been hard to locate and contact. These funds are shown as a liability in note 11.

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

31/12/20		31/12/21
\$		\$
-	Fees and charges paid by growers (2021 production)	895,210
740,904	Fees and charges paid by growers (2020 production)	1,316
(276)	Levies returned (non-constituted growers) \$3.90 per tonne	(329)
-	Levies returned and refunded \$1.00 per tonne on the 2019 vintage	36
(642)	Levies returned \$1.00 per tonne on the 2018 vintage	-
(446)	Levies returned \$1.50 per tonne on the 2017 vintage	-
56	Levies returned and refunded \$1.50 per tonne on the 2016 vintage	-
(1,850)	Levies returned and refunded \$1.50 per tonne on the 2013 vintage	283
(50)	Levies returned and refunded \$1.50 per tonne on the 2012 vintage	50
(827)	Levies returned and refunded \$1.50 per tonne on the 2011 vintage	-
736,869	NET RECEIPTS Levies Retained	896,566

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

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 2021 (continued)

NOTE 3: FEES & CHARGES ON GROWERS (continued)

No revenue has been recognised in the reporting period from performance obligations satisfied in previous periods nor is there any revenue yet to be recognised in respect to unsatisfied performance obligations (2020: Nil).

At year end there are no contract assets or contract liabilities recognised from contracts with customers (2020: Nil).

NOTE 4: OTHER ADMINISTRATION EXPENSES

Details of the components of this item are as follows:

31/12/20		31/12/21
\$		\$
36,980	Agency Fees	44,690
17,227	Accountancy	16,536
9,425	Advertising, Printing & Stationery	15,529
11,223	Computer Expenses	14,262
-	Conferences & Seminars	155
7,099	Industry Functions	12,539
15,663	Insurance	15,560
1,180	Legal Fees	3,304
8,636	Motor Vehicle Expenses	12,233
8,998	Office Expenses	8,436
13,158	Postage and Telephone	13,816
3,068	Rates	3,250
9,486	Research & Development Function	546
3,900	Reimburse ChemCert Training/HACCP Certification	1,500
-	Sponsorship	164
360	Staff Training	-
4,071	Sundry	3,372
150,474		165,892

NOTE 5: SALARIES, WAGES & SUPERANNUATION

31/12/20		31/12/21
\$		\$
260,046	Salary & Wages	265,548
24,317	Superannuation	27,147
284,363		292,695

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 2021 (continued)

NOTE 6: CASH & CASH EQUIVALENTS

31/12/20		31/12/21
\$		\$
357,583	Administration Account	674,638
92,052	Grower Payments Cheque Account	4,412
1,000,000	Term Deposits	1,503,276
<u>1,449,635</u>		<u>2,182,326</u>

NOTE 7: TRADE AND OTHER RECEIVABLES

Amounts owing to the Board at 31 December 2021 comprise:

31/12/20		31/12/21
\$		\$
-	Trade Debtors	220
15,652	GST Receivable	22,608
8,188	Accrued Income	3,464
<u>23,840</u>		<u>26,292</u>

Provision for Expected Credit Losses

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

The balance is nil for current and prior years.

NOTE 8: INVESTMENTS

31/12/20		31/12/21
\$		\$
500,000	Term Deposits	-
<u>500,000</u>		<u>-</u>

NOTE 9: PREPAYMENTS

31/12/20		31/12/21
\$		\$
16,126	Insurance	16,483
<u>16,126</u>		<u>16,483</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 2021 (continued)

NOTE 10: PROPERTY, PLANT & EQUIPMENT

31/12/20		31/12/21
\$		\$
	Land & Buildings	
	Freehold Land at:	
320,000	- Independent Valuation 31 December 2019	320,000
<u>320,000</u>		<u>320,000</u>
	Buildings at:	
408,000	- Independent Valuation 31 December 2019	408,000
(10,226)	Less accumulated depreciation	(20,425)
<u>397,774</u>		<u>707,575</u>
<u>717,774</u>	Total Land & Buildings	<u>707,575</u>
55,997	Office Equipment - at cost	55,997
(47,836)	Less: Accumulated Depreciation	(49,027)
<u>8,161</u>		<u>6,970</u>
81,284	Motor Vehicles - at cost	135,879
(12,390)	Less: Accumulated Depreciation	(19,341)
<u>68,894</u>		<u>116,538</u>
26,095	Computer Equipment - at cost	32,954
(22,501)	Less: Accumulated Depreciation	(25,510)
<u>3,594</u>		<u>7,444</u>
134,621	Research Equipment - at cost	138,363
(115,491)	Less: Accumulated Depreciation	(122,892)
<u>19,130</u>		<u>15,471</u>
<u>99,779</u>	Total Plant & Equipment	<u>146,423</u>
<u>817,553</u>	Total Property, Plant & Equipment	<u>853,998</u>

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

MOVEMENT IN CARRYING AMOUNTS - 2021

WDV	Land & Buildings \$	Research Equipment \$	Office Equipment \$	Motor Vehicle \$	Computer Equipment \$	Totals \$
Balance at 1 January 2021	717,774	19,130	8,161	68,894	3,594	817,553
Acquisitions	-	3,742	-	94,781	6,860	105,383
Revaluation	-	-	-	-	-	-
Depreciation	(10,199)	(7,401)	(1,191)	(16,587)	(3,010)	(38,388)
Disposals	-	-		(30,550)	-	(30,550)
Balance at 31 December 2021	707,575	15,471	6,970	116,538	7,444	853,998

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 2021 (continued)

NOTE 10: PROPERTY, PLANT & EQUIPMENT (continued)

MOVEMENT IN CARRYING AMOUNTS – 2020

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

NOTE 11: TRADE AND OTHER PAYABLES

31/12/20		31/12/21
\$		\$
19,648	Trade Creditors	92,124
9	GST Payable	3,510
8,179	PAYG Withholding	12,965
31,393	Accruals	30,437
454	Grower Fees & Charges	-
526	Credit Cards	3,003
<u>60,209</u>		<u>142,039</u>

NOTE 12: EMPLOYEE BENEFITS

CURRENT

31/12/20		31/12/21
\$		\$
27,116	Provision for Annual Leave	8,818
3,053	Provision for Long Service Leave	-
<u>30,169</u>		<u>8,818</u>

NON-CURRENT

31/12/20		31/12/21
\$		\$
3,939	Provision for Long Service Leave	5,405
<u>3,939</u>		<u>5,405</u>

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2021 (continued)

NOTE 13: EQUITY

(a): RESERVES

31/12/20		31/12/21
\$		\$
334,370	Opening balance	334,370
-	Net increase/(decrease) on revaluation of land & buildings	-
334,370		334,370

(b): RETAINED EARNINGS

31/12/20		31/12/21
\$		\$
2,359,725	Retained earnings at the beginning of the financial year	2,378,467
18,742	Surplus/(Loss) for the year	210,000
2,378,467	Retained earnings at the end of the financial year	2,588,467

Revaluation Reserve

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

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

31/12/20		31/12/21
Inflows		Inflows
(Outflows)		(Outflows)
\$		\$
18,742	Surplus/(Deficit) for the year	210,000
	Adjustments for:	
35,838	Depreciation	38,388
3,112	(Gain)/Loss on Sale of Assets	(3,995)
(3,170)	(Increase)/Decrease in Receivables	(7,176)
23,576	(Increase)/Decrease in Accrued Income	4,724
(10,845)	Increase/(Decrease) in Payables	81,830
(3,292)	Increase/(Decrease) in Employee Entitlements	(19,885)
(12)	(Increase)/Decrease in Prepayments	(357)
63,949	Net Cash provided by operating activities	303,529

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2021 (continued)

NOTE 15: FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies

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

(2) Interest Rate Risk

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

2021	Effective Interest Rate	Variable Interest \$	Fixed Interest Rate			Non-Interest Bearing \$	Total \$
			Less than 1 year \$	1 to 5 years \$	More than 5 years \$		
Financial Assets							
Bank	0.00%	679,050	-	-	-	-	679,050
Term Deposits	0.22%	-	1,503,276	-	-	-	1,503,276
Trade and Other Receivables	-	-	-	-	-	3,684	3,684
		679,050	1,503,276	-	-	3,684	2,186,010
Financial Liabilities							
Payables	N/A	-	-	-	-	125,564	125,564
		-	-	-	-	125,564	125,564

2020	Effective Interest Rate	Variable Interest \$	Fixed Interest Rate			Non-Interest Bearing \$	Total \$
			Less than 1 year \$	1 to 5 years \$	More than 5 years \$		
Financial Assets							
Bank	0.00%	449,635	-	-	-	-	449,635
Term Deposits	0.80%	-	1,500,000	-	-	-	1,500,000
Trade and Other Receivables	-	-	-	-	-	8,188	8,188
		449,635	1,500,000	-	-	8,188	1,957,823
Financial Liabilities							
Payables	N/A	-	-	-	-	52,021	52,021
		-	-	-	-	52,021	52,021

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2021 (continued)

NOTE 15: FINANCIAL INSTRUMENTS (Continued)

(c) Credit Risk

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

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

(4) Net Fair Value

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

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

Fair Values	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	2020 \$	2020 \$	2021 \$	2021 \$
Financial Assets				
Cash and Cash Equivalents	1,449,635	1,449,635	2,182,326	2,182,326
Trade and other Receivables	8,188	8,188	3,684	3,684
Other Investments	500,000	500,000	-	-
Financial Liabilities				
Trade and other Payables	52,021	52,021	125,564	125,564

(e) Estimation of Fair Values

Securities

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

Trades and Other Receivables / Payables

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

NOTE 16: COMMITMENTS

There was no capital and operating lease commitments as at 31 December 2021 (2020: nil).

NOTE 17: CONTINGENT LIABILITIES

The Board is not aware of any contingent liabilities as at the date of signing off the accounts (2020: nil).

NOTE 18: RELATED PARTY TRANSACTIONS

During the 2021 Financial Year there were no material related party transactions, other than those noted in Note 19 which were conducted at arm's length.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2021 (continued)

NOTE 19: KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Board, either directly or indirectly. The key management personnel of the Board comprise the directors and executive management who are responsible for the financial and operational management of the Board. Board directors are all constituted wine grape growers and all pay the statutory fees and charges annually via the processor that they deliver wine grapes to.

31/12/20		31/12/21
\$		\$
236,728	Short-term benefits	235,799
20,868	Post-employment benefits	21,281
2,285	Other long-term benefits	2,285
259,881	Total remuneration	259,365
9	Total number of executives	8

NOTE 20: FINANCIAL RISK MANAGEMENT

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

(a) Liquidity Risk

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

(b) Credit Risk

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

(c) Interest Rate Risk

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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2021 (continued)

NOTE 20: FINANCIAL RISK MANAGEMENT (continued)

(d) Sensitivity analysis

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

31/12/20 \$		31/12/21 \$
	Change in surplus	
4,496	Increase in interest rate by 1%	6,791
(4,496)	Decrease in interest rate by 1%	(6,791)

31/12/20 \$		31/12/21 \$
	Change in equity	
4,496	Increase in interest rate by 1%	6,791
(4,496)	Decrease in interest rate by 1%	(6,791)

NOTE 21: SUBSEQUENT EVENTS

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

End of Audited Accounts

2022 CONSOLIDATED BUDGET AS PER STRATEGIC PLAN 2022-2026

2021 Budget	2021 Actual	EXPENSE ACCOUNTS	2022 Budget
INCOME			
\$815,100	\$896,566	Charges (\$3.90 per tonne – 209,000 tonnes)	-
-	-	Charges (\$3.90 per tonne – 225,000 tonnes)	\$877,500
\$18,750	\$4,929	Interest from Bank Accounts	\$12,000
\$28,000	\$3,995	Gain/(loss) on Sale of Assets	-
\$4,725	\$7,584	Income from Operating Activities (Sundries)	\$5,125
-	-	Grant Income	-
\$866,575	\$913,074	TOTALS	\$894,625
OPERATING EXPENDITURE			
\$16,000	\$16,536	Accountancy Fees	\$16,000
\$4,800	\$10,396	Advertising Activities	\$4,450
\$40,755	\$44,690	Agency Expense	\$43,875
\$17,500	\$17,940	Audit Fees – Statutory	\$17,500
\$1,550	\$954	Bank Fees and Charges	\$1,550
\$95,000	\$85,295	Board Fees and Allowances	\$95,000
\$7,100	\$14,262	Computer Expenses	\$7,100
\$4,900	\$155	Conferences/Seminars	\$4,900
\$69,400	\$48,598	Consultancy Costs	\$74,400
\$35,000	\$38,388	Depreciation Expense	\$35,000
-	-	Donations	-
\$8,800	\$4,591	Fringe Benefits Tax	\$8,800
\$5,250	\$12,539	Industry Functions	\$9,250
\$15,750	\$15,560	Insurance	\$15,750
\$1,500	\$3,304	Legal Fees	\$1,500
\$12,550	\$12,233	Motor Vehicle Expenses	\$11,800
\$6,000	\$8,436	Office Expenses	\$6,000
\$13,460	\$13,816	Postage and Telephone	\$13,260
\$11,300	\$5,133	Printing and Stationary	\$9,950
\$30,000	-	Promotion	\$35,000
\$5,690	(\$18,298)	Provision: Annual Leave	\$5,588
\$2,233	(\$1,587)	Provision: Long Service Leave	\$2,200
\$3,850	\$3,250	Rates	\$3,850
\$3,700	\$546	Research Consumable	\$5,600
\$15,000	-	Research Payments	\$100,000
\$280	-	Return of Statutory Fees – growers < 20t	\$280
-	\$1,500	Reimburse Chemical Certificate Training	-
\$259,040	\$265,548	Salaries and Wages	\$251,774
-	\$164	Sponsorship	-
\$8,360	-	Staff and Board Training	\$8,360
Subscriptions:			
\$11,500	\$10,850	Magazines Subscription for Growers	\$11,500
\$7,350	\$8,740	Irrigation Representation	\$7,350
\$12,000	\$12,000	NSW Wine Industry Association	\$12,000
\$1,950	\$1,466	Sundry Subscriptions	\$1,950
\$25,000	\$25,000	Inland Regions Alliance	\$25,000
\$5,000	\$3,372	Sundry expense	\$4,000
\$32,409	\$35,273	Superannuation	\$31,719
\$18,900	\$2,424	Travelling Expenses	\$16,550
\$808,877	\$703,074	TOTAL EXPENDITURE	\$898,806
\$57,698	\$210,000	SURPLUS/(DEFICIT	(\$4,181)
BUDGETED CAPITAL EXPENDITURE			
\$58,000	\$94,781	Motor Vehicles	-
-	\$10,602	Building, Office, Computer & Research Equipment	-
\$58,000	\$105,383	TOTAL CAPITAL EXPENDITURE	-
\$866,877	\$808,457	TOTAL EXPENDITURE (including capital expenditure)	\$898,806
(\$302)	\$104,617	SURPLUS/(DEFICIT) – including capital expenditure	(\$4,181)

The above 2022 Budget was presented and approved by growers 27 October 2021

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