



WINE GRAPES MARKETING BOARD



ANNUAL REPORT 2022

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 2022



Wine Grapes Marketing Board

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.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: 0427 759 094
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 21 June 2023
Yoogali Club
YOOGALI NSW 2680
Commencing at 7:00pm

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Riverina
WINEGRAPE
GROWERS

Wine Grapes Marketing Board

For the City of
Griffith & the Local
Government Areas
of Leeton, Carrathool
& Murrumbidgee

Residential
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Letter to the Minister

13 April 2023

The Hon. Tara Moriarty, MLC
Minister for Agriculture, Minister for Regional New South Wales,
and Minister for Western New South Wales
Parliament House
Macquarie Street
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 2022 for tabling in the NSW Parliament. This 89th Annual Report on performance, activities and financial results has been prepared in accordance with provisions of the *Annual Reports (Statutory Bodies) Act 1984*, and the *Public Finance and Audit Act 1993*.

Yours sincerely

Bruno Brombal
Chairman

Chief Executive Officer Report

Welcome to the Wine Grapes Marketing Board's 2022 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 22 June 2022 for your information.

In 2022 the Board introduced its Strategic Operations Plan 2023 – 2027 in accordance with the NSW Government's requirements under the *Agricultural Industry Services Act 1998*. The Strategic Planning and Budget meeting was held 12 October 2022.

The 2022 season for all growers in the Riverina yielded 318KT (351KT in 2021, 302KT in 2020) of winegrapes were harvested at a regional average purchase price per tonne of \$396 (\$464 in 2021, \$504 in 2020, \$478 in 2019). White winegrapes averaged \$404 (\$401 in 2021, \$399 in 2020) and red winegrapes \$383 (\$534 in 2021, \$618 in 2020) according to *Wine Australia's 2022 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 2022.

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 and has been advertised in The Area News.

Board Members during 2022

- 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 2022 there were 11 general meetings and 2 public meetings of the Board.

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

Public Meetings held in 2022 were the Annual General Meeting (June) and the Strategic Planning and Budget setting meeting (October).

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	Available meetings	Meetings Attended	%
Bruno Brombal	11	11	100%
Robert Bellato	11	8	73%
Steven Barbon	11	11	100%
Tony Baggio	11	8	73%
Bruno Altin	11	10	91%
Dom Schirripa	11	7	64%
Frank Alampi	11	10	91%

Other meetings attended by the Members representing the Board.

February

Bruno Brombal - DPI, Fed Gov't

March

Tony Baggio-National Irrigators Council

Frank Alampi - NSW WIA

May

Tony Baggio - Murrumbidgee Regional Water Strategy

June

Bruno Brombal - IWRA, DAWE, MVW, I RWA, AWRI

July

Bruno Brombal - RWA, NSW DPI, MIAVIS AGM,

August

Bruno Brombal - ACWP

Frank Alampi ACWP

September

Tony Baggio - One Basin CRC

Robert Bellato - One Basin CRC

Bruno Brombal - IWRA, One Basin CRC, DT Bush Summit, Minister for AG

October

Tony Baggio - NIC, NSWIC, CSU

Robert Bellato - NSW WI Heavy Vehicle

Bruno Brombal- CSU

December

Tony Baggio - Price Indicator WS, Citrus WS

Steve Barbon - Price Indicator WS

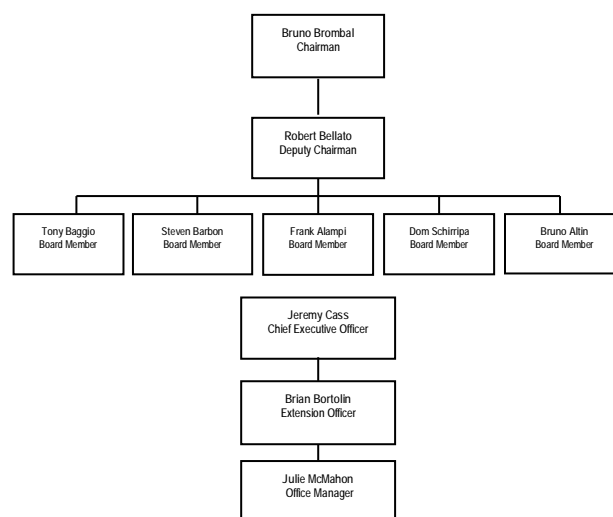
Bruno Brombal - AGM for RWA and MVWI

Bruno Altin - AGM for RWA

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 reached the maximum limits in Board fee payments for 2022, attending at least 20 meetings representing the Board and growers.

Organisation Chart 2022



Board Staff

From 1 Jan 2022 - 31 Dec 2022 staff members were:

- Chief Executive Officer – Jeremy Cass
 - Commenced employment February 2022
- Extension Officer - Brian Bortolin
 - Commenced employment January 2017
- Office Manager - Julie McMahon
 - Commenced employment October 2015

Summary Review of Operations

There is a Profitability Project underway by the Board during 2022 in partnership with Wine Australia, NSW Wine, CSU Gulbali Institute, NSW DPI and FIAL.

Funds Granted to Non-Government Community Organisations

Griffith Lions Club was donated \$500 for hosting BBQ for growers in 2022.

Legal Change

There was no legal change to the organisation during 2022.

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 2022 with the Board being required to pay 5% (+ GST) of the \$3.90 per tonne to the wineries \$46526 (\$44690 in 2021, \$36981 in 2020 \$41265 in 2019).

Management & Activities

A review of the strategic operations of the Board was conducted by the Board during 2022. This was presented to growers in the *WGMB Strategic Operations Plan 2023-2027 and Operating Budget for 2022* publication, which was made available to all growers. The Plan was adopted at a meeting of growers held in October 2022 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 2022.

Human Resources

During 2022 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.

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 \$360 (\$540 in 2021, \$180 in 2020, \$0 in 2019)

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

A total of nine (9) consultants were engaged in 2022 costing a total of \$61,298 (\$48,597 in 2021, \$68,533 in 2020, \$7,261 - 2019) excluding GST. The costs include:

- Management Resource Plus/ HACCPAus \$ 1,853
- Audit and Risk Services \$ 330
- SpecTerra \$47,550
- Lucas Group \$ 7,350
- Mel Garbett \$ 739
- JLS Advisory \$ 878
- Marketing Solutions Griffith \$ 100
- Brian Simpson \$ 1,500
- MIA Valuers \$ 1,000

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 2022 Financial Year.

A revaluation of the property and land occurred in December 2022 with another revaluation to occur in 2025 for the purposes of financial reporting.

Promotion

In 2022 the Board supported the promotion of Riverina Winemakers Association with \$20,000. (\$21,591 in 2020, \$27,655 in 2019)

Sponsorship

In 2022 the Board did not undertake any sponsorship (2021 \$0 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 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	\$119,528	\$67,624	\$75,613	\$253,048
30-60 days	-	-	-	-
60-90 days	-	-	-	-
90+ days	-	-	-	-
\$ Total	\$119,528	\$67,624	\$75,613	\$253,048
% 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 2022 the Board received 24 formal requests for information (31 in 2021, 29 in 2020, 46 in 2019) 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 2022.

Appointed Auditors

The NSW Audit Office appointed Johnsons MME from Albury as its agent for the 2022 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 \$8.22 per copy + GST, these were printed locally (\$7.41 + GST in the prior year).

Financial Year of the Board

1 January to 31 December.

2022 Annual General Meeting

Wine Grapes Marketing Board

presents Annual Report 2021

22 June 2022 commencing at 8:02pm

Yoogali Club Yoogali NSW 2680

Attendance

39 Constituted Growers: Bruno Brombal (Chairman), Bob Bellato (Deputy Chair), Anthony Baggio (Board Member), Bruno Altin (Board Member), Frank Alampi (Board Member), Steven Barbon (Board Member) Dom Schirripa (Board Member), Mario Arcifa, Armando Armanini, Glen Bavaresco, Kevin Bertacco, Eric Berton, John Bisetto, Louis Cadorin, Mark Cadorin, Steven Cardorin, Peter Cremasco, James Cremasco, Gus Cristofaro, John Dal Brio, Robert D'Ambrosio, Grant Delves, Pio Foscari, Dom Macri, Joe Maugeri, Lawrence Minato, Gary Morandin, Lawrence Pellizer,

Sebastian Raciti, Tony Ragusa, Michael Rossetto, Bob Sjollem, Mitchell Strano, John Strano, Jack Torresan, Giulio Toscan, Ross Vecchio, John Vitucci, Dino Zalunardo

Non-Voting attendees:

Jim Caddy (IWRA), Katie Dunne (NSWDPI Kathleen Altin, Sergio Altin, Ezio Arcifa, Leo Arcifa, Nathan Arcifa Anne Bortolin, Kirstan Dal Brio, Luke Dal Brio, Joe D'Aquino, Mario Foscari, Sharon Maugeri, John McMillan, Declan Morandin, Anna Pellizer, Samuel Raciti, Steve Torresan, Anthony Vitucci. Allan Zalunardo

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

Apologies Leo De Paoli, Phil Hancock, Elanor Hancock, David Rossetto, Tony Sergi, Glen Snaidero, & Daniel Rogato

Minutes of the previous Annual General Meeting 2021

Copies of the minutes had been included in the Annual Report for 2021 for members.

That the minutes be accepted as a true and accurate record of 23 June 2021 meeting:

MOVED: Robert Bellato

SECONDED: John Dal Brio **CARRIED**

1.1 Business Arising from the Minutes

No business was raised from the previous minutes.

2. Chairman's Report – Bruno Brombal

Welcome to our new CEO Jeremy Cass and thank you to Bruno Altin for the time and commitment that he has put in especially over the Christmas holiday period to help interview and appoint a new CEO. Jeremy was appointed in early January but had to give one month's notice. He took up the position in the second week in February. January was a tough month with no CEO, I spent 2.5 days a week in the office to help fill the gap, during this time we had a board Audit and hail events this took up a lot of time with Auditors, DPI, and other government personnel coming and going. I must thank both Julie and Brian for the extra effort that they put in at this time, especially Julie who stepped up to do some of the CEO duties. Julie was a great help, and I don't think we could have got through this without her. On that note I would like to invite Julie to come up and accept this gift as a token of appreciation from the

board. Thanks must also go to Vito Mancini the chairman of Riverina Citrus, as well as the NSW resilience people for the work that they put in to getting the government to upgrade the low interest loans to \$50,000 grants for those affected by the hail storms, I will get Jeremy to talk more about these grants as well as the \$3000.00 rebates for rates and regos that are available to growers as a COVID initiative by the NSW government this equates to around \$825,000 back to growers if everyone claimed the rebate. The grants are a little harder to claim in full but most people that have been affected by the hailstorms should be able to claim at least a minimum of \$10,000 so it is worth going for. We have been working with the rural financial councillors to help people access these grants. Again, thanks must go to Sarah Diggelmann, the rural financial councillor, based in Leeton and Martin O'Donnell from business connect for running workshops at our board room to help growers with both the grants and rebates.

Vintage 2022 saw 317,000 tonnes of fruit taken by wineries of this, 216,000 tonnes were delivered by growers with 101,000 tonnes being produced by wineries, this could change as some wineries have their vineyards up for sale. These tonnes could have been a lot higher if it hadn't been for such a disastrous year for growers, pest and disease pressure was high, and losses were incurred due to downy & powdery mildew, botrytis, scale, and mealy bug. Up to 7 different hailstorms caused further crop loss to those unfortunate enough to be in the path. We are aware of one winery taking up to 10,000 tonnes of their intake as concentrate at a reduced price. We have been contacting wineries trying to get a better picture on the full extent of fruit that was delivered as concentrate.

The amount of grape spillage in the area was down on last year, but is still of concern, The RMS were doing a lot of night work, and pulled up a lot of trucks including mine. We still have some work to do to in this area. New RMS rules started on the 1 June 2022, these rules are around the eligibility to get a primary producers discount and what you can and can't do if you register your trucks under this concession.

We are focusing on our younger growers, and thanks to Jeremy we were able to get 4 free tickets for young growers to attend the National Wine Industry Technical conference to be held next week in Adelaide. The board will sponsor the travel

accommodation and meals of these young growers, and Jeremy and Brian will be attending the conference with them. Time constraints have prevented the formation of a young grower's group at this stage, but we are hoping to have a get together in the next couple of months.

The board will be doing a levy return of \$1 per tonne from the 2022 vintage back to growers.

The outlook for vintage 2023 is not good, white varieties should be okay, however red varieties could drop below \$300 per tonne with some grapes being left on the vines. Jim Caddy will explain more about the state of the industry in his presentation.

Last of all I would like to make you all aware that 2022 is the 90 year anniversary of the formation of the Wine Grapes Marketing Board, I would like to invite everyone to the anniversary dinner that we will be held on 10 December 2022. I would also like to thank the board and staff for all their support they have given me in the past 12 months.

That the Chairman's report be accepted -

MOVED: Bruno Brombal

SECONDED: Mario Arcifa CARRIED

3. Financial Report – Jeremy Cass CEO

The CEO presented the income and expenditure statements as per the Annual Report for 2021. The Board recorded a moderate financial surplus:

That the Annual Report for 2021 be adopted -

MOVED: Eric Berton

SECONDED: Tony Baggio CARRIED

4. General Business

4.1 Jim Caddy Presentation on Australian Inland Wine Industry

Jim's presentation showed the overall state of the Australian wine industry following the Chinese tariffs and COVID, it showed how the inland regions would be the worst affected until such time that the oversupply is corrected.

4.2 Brian Bortolin Presentation on Cost of Production

Brian presented his cost of production spreadsheet that he had been working on, this is available to all growers and Brian is available to help growers to input their data if required.

5. Other Business Nil

Being no further business the meeting was declared closed at 9:42pm.



NSW Wine Industry Association Report

13 February 2023

NSW Wine Industry Association Report

Summary

This is my first report since taking over from Angus Barnes on 1 November 2022, and primarily covers the period from then. Since starting CDS quickly emerged as an issue, but through quick and aggressive engagement NSW Wine successfully delayed any expansion to the program before the NSW Election. DPI, Investment NSW and other areas of the NSW and Commonwealth Government continue to fund grants and co-deliver programs that support both growers and producers and the past few months has been consumed by ensuring we deliver as much as we can under the NSW Government-NSW Wine Memorandum of Understanding.

Moving forward, the most pressing issue is the NSW State Election in March 2023. While we can count ourselves fortunate to have a strong working relationship with it, the election does provide an opportunity for a reset and to better secure funding streams for export initiatives, domestic growth activities, R&D, biosecurity and DPI extension activities. While I also expect China to be another emerging theme as it appears to relax some of its trade barriers – NSW will continue to deliver initiatives that strengthen the domestic market for NSW wines.


Highlights

- A successful Executive Officer handover from Angus Barnes, who has been in the role for almost 5 years, to Matthew Jessop.
- Extensive political engagement with sitting and cross bench MPs on the Container Deposit Scheme which has delayed any major decision until after the NSW State Election and highlighted the lack of support across party lines for any changes to the current scheme.
- The NSW Government-NSW Wine Memorandum of Understanding continues to deliver support to producers, growers and industry (Sydney trade tastings, regional trade visits, WSET scholarships, export support).
- NSW continues to play a leading role with other state associations to bring about national alignment on issues of biosecurity, R&D, CDS and marketing.
- The Wine Industry Productivity and Profitability project (collaboration between industry, government and research institutions including the Riverina Winegrape Growers) is underway to develop solutions that improve productivity and profitability for growers in the Riverina.

- AgSkilled 2.0 continues to deliver funded courses for the agriculture industry. This will soon include biosecurity training, which has so far been piloted by NSW Wine and Jeremy Cass at Riverina Winegrape Growers.
- Hosted by the ICC, the 2022 NSW Wine Awards proved a success with a significant number in attendance, large number of entrants and medal winners. This included a good response to the NSW Government House tender for NSW Wine Award Gold Medallists
- After pressure from NSW Wine, 65 new biosecurity signs on the major road entrances to all 16 wine regions in NSW are being rolled out over the next 6 months.

Future focus

- The next two months will see the NSW State Election, which brings with it opportunities for NSW Wine to strengthen its relationship with the NSW Government, secure more funding for the wine industry and ensure growers and producers have the support they need.
- There is good alignment between the NSWWIA Strategy, MOU and the NSW Government priorities of DPI, Investment NSW and Destination NSW providing a good platform for ongoing collaboration.
- Programs being delivered by NSW Wine over the next three months include export visits to the UK, Germany and Japan, regional tastings in Sydney, WSET 2 and 3 courses and regional sommelier tastings in the regions.
- Work on the 2023 Sommeliers Wine List Awards is underway.
- The delivery of a new weather station solution is underway as the current 3G Telstra network is closed in 2032/24.



Matthew Jessop
Executive Officer, NSW Wine Industry Association



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 by the Accountable Authority, the Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 December 2022, the Statement of Financial Position as at 31 December 2022, 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:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2018 (GSF Regulation) and the Treasurer's Directions
- presents fairly the Board's financial position, financial performance and cash flows

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

Basis for Opinion

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

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

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

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

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

In preparing the financial statements, the Board is responsible for assessing the Board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

The scope of my audit does not include, nor provide assurance:

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



Min Lee
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales


21 February 2023
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 20 of February 2023

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 2022

31/12/21		Note	31/12/22
\$			\$
	INCOME		
7,584	Other Income	2	1,840
4,929	Interest		9,170
-	Grants	3	200,000
896,566	Fees and Charges on Growers	4	629,148
3,995	Gain/(Loss) on Sale of Assets		8,007
913,074	TOTAL INCOME		848,165
	EXPENDITURE		
17,940	Audit Fees		18,470
953	Bank Fees		714
93,422	Board Fees, Allowances & Superannuation		97,305
48,598	Consultancy Fees		61,298
38,388	Depreciation		40,418
4,590	Fringe Benefits Tax		14,588
165,892	Other Administration Expenses	5	324,578
292,695	Salaries, Wages & Superannuation	6	269,311
58,057	Subscriptions		33,851
2,424	Travelling Expenses		21,507
(19,885)	Employees Leave Entitlements		11,519
-	Promotion		20,000
703,074	TOTAL EXPENDITURE		913,559
210,000	SURPLUS/(DEFICIT) FOR THE YEAR		(65,394)
	OTHER COMPREHENSIVE INCOME		-
	<i>Items that will not be reclassified subsequently to Profit and Loss:</i>		
	- Revaluation increment for Property, Plant and Equipment		172,150
210,000	TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		106,756

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 2022

31/12/21	CURRENT ASSETS	Note	31/12/22
\$			\$
2,182,326	Cash & Cash Equivalents	7	1,949,408
26,292	Trade and Other Receivables	8	144,799
16,483	Prepayments	9	18,493
<u>2,225,101</u>	Total Current Assets		<u>2,112,700</u>
	NON-CURRENT ASSETS		
853,998	Property, Plant & Equipment	10	1,045,726
<u>853,998</u>	Total Non-Current Assets		<u>1,045,726</u>
<u>3,079,099</u>	TOTAL ASSETS		<u>3,158,426</u>
	CURRENT LIABILITIES		
142,039	Trade and Other Payables	11	103,092
8,818	Employee Benefits	12	16,937
<u>150,857</u>	Total Current Liabilities		<u>120,029</u>
	NON-CURRENT LIABILITIES		
5,405	Employee Benefits	12	8,804
<u>5,405</u>	Total Non-Current Liabilities		<u>8,804</u>
<u>156,262</u>	TOTAL LIABILITIES		<u>128,833</u>
<u>2,922,837</u>	NET ASSETS		<u>3,029,593</u>
	EQUITY		
334,370	Reserves	13(a)	506,520
2,588,467	Retained Earnings	13(b)	2,523,073
<u>2,922,837</u>	TOTAL EQUITY		<u>3,029,593</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 2022

31/12/21		Note	31/12/22
\$			\$
	RESERVES		
	Asset Revaluation Reserve		
334,370	Balance on 1 January		334,370
-	Net increase on revaluation of land & buildings		172,150
334,370	Balance on 31 December		506,520
	RETAINED EARNINGS		
2,378,467	Balance on 1 January		2,588,467
210,000	Surplus/(Deficit) for the year		(65,394)
2,588,467	Balance on 31 December		2,523,073
2,922,837	TOTAL EQUITY		3,029,593

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 2022

31/12/21 Inflows (Outflows) \$	Note	31/12/22 Inflows (Outflows) \$
CASH FLOWS FROM OPERATING ACTIVITIES		
RECEIPTS		
895,852	Wineries & Growers	740,516
9,653	Interest Received	4,035
-	Government Contributions Received	220,000
8,382	Other	2,024
913,887		966,575
PAYMENTS		
(381,331)	Employee Benefits	(371,328)
(229,027)	Payments to Suppliers	(559,337)
-	Payments to Growers	(216,840)
(610,358)		(1,147,505)
NET CASH PROVIDED BY OPERATING		
303,529	14	(180,930)
CASH FLOWS FROM INVESTING ACTIVITIES		
34,545	Proceeds from Sale of Fixed Assets	31,364
(105,383)	Payments for Property, Plant & Equipment	(83,352)
500,000	Payments (proceeds) for Investments	-
429,162	NET CASH USED IN INVESTING ACTIVITIES	(51,988)
NET INCREASE/(DECREASE) IN CASH AND CASH		
732,691	EQUIVALENTS	(232,918)
1,449,635	Cash & cash equivalents at 1 January	2,182,326
2,182,326	Cash & cash equivalents at 31 December	1,949,408

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 2022

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 20 February 2023.

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,
Carrathool and Murrumbidgee

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

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 2022

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 2022

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 2022

NOTE 2: OTHER INCOME

31/12/21		31/12/22
\$		\$
4,911	Reimbursements	91
950	Sales	673
1,723	Sample testing	-
-	Advertising	1,076
-	Other	-
7,584		1,840

NOTE 3: RESTRICTED FUNDS – THE PROFITABILITY PROJECT

In 2022 the Board received funding from Wine Australia to partake in the co-design of a pilot project to be led by Wine Australia with the objective of driving optimisation and profitability in Australia's inland wine grape growing regions (the Profitability Project). Riverina Winegrape Growers will facilitate the involvement and engagement of growers in the co-design of a multi-year program aimed at optimisation and the determination of drivers of profitability of the inland region using the Riverina as an initial pilot. During the co-design phase the Riverina Winegrape Growers will engage with the Region's growers in workshops, consultations and individual engagements that will help frame questions for the Profitability Project.

The total fee payable by Wine Australia will be \$200,000 (GST exclusive) for the term with Riverina Winegrape Growers contributing \$100,000 (GST exclusive) toward the project (payable to Wine Australia).

The figures shown below are net of GST.

31/12/21		31/12/22
\$		\$
-	Balance on 1 January	-
-	Wine Australia funds received	200,000
-		200,000
-	Riverina Winegrape Growers investment in the project	100,000
-	Pilot Profitability workshop paid for growers to attend	40,000
-	Balance of funds remaining at 31 December	60,000

NOTE 4: FEES & CHARGES ON GROWERS

For the 2022 vintage the fees and charges rate was approved by a formal motion of members at \$3.90 per tonne (2021 \$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.

In May 2022, the board proposed to its members to return to growers on 2022 production an amount of \$1 per tonne on the fees received in 2022 due to an increase in production and surplus funds in its accounts.

A number of growers received a return of \$3.90 per tonne in 2022 as they produced less than 20 tonnes in the year (68.28 tonnes in total across 5 growers - \$266 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.

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 2022 (continued)

NOTE 4: FEES & CHARGES ON GROWERS (continued)

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

31/12/21		31/12/22
\$		\$
	- Fees and charges paid by growers (2022 production)	845,988
895,210	Fees and charges paid by growers (2021 production)	-
1,316	Fees and charges paid by growers (2020 production)	-
	Levies returned (non-constituted growers) \$3.90 per	
(329)	tonne	(266)
	Levies returned \$1.00 per tonne on the 2022 vintage	(216,574)
36	Levies returned and refunded \$1.00 per tonne on the	-
	2019 vintage	
283	Levies returned and refunded \$1.50 per tonne on the	-
	2013 vintage	
50	Levies returned and refunded \$1.50 per tonne on the	-
	2012 vintage	
<u>896,566</u>	NET RECEIPTS Levies Retained	<u>629,148</u>

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

No revenue has been recognised in the reporting period from performance obligations satisfied in previous periods nor is there any revenue yet to be recognised in respect to unsatisfied performance obligations (2021: Nil).

At year end there are no contract assets or contract liabilities recognised from contracts with customers (2021: Nil).

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2022 (continued)

NOTE 5: OTHER ADMINISTRATION EXPENSES

Details of the components of this item are as follows:

31/12/21		31/12/22
\$		\$
44,690	Agency Fees	42,297
16,536	Accountancy	15,775
15,529	Advertising, Printing & Stationery	10,567
14,262	Computer Expenses	13,044
155	Conferences & Seminars	50,872
-	Donations	500
12,539	Industry Functions	26,441
15,560	Insurance	16,080
3,304	Legal Fees	62
12,233	Motor Vehicle Expenses	11,993
8,436	Office Expenses	16,311
13,816	Postage and Telephone	14,075
3,250	Rates	3,379
546	Research & Development Function	102,376
1,500	Reimburse ChemCert Training/HACCP Certification	700
164	Sponsorship	-
-	Staff Training	-
3,372	Sundry	106
<u>165,892</u>		<u>324,578</u>

NOTE 6: SALARIES, WAGES & SUPERANNUATION

31/12/21		31/12/22
\$		\$
265,548	Salary & Wages	244,239
27,147	Superannuation	25,072
<u>292,695</u>		<u>269,311</u>

NOTE 7: CASH & CASH EQUIVALENTS

31/12/21		31/12/22
\$		\$
674,638	Administration Account	269,133
4,412	Grower Payments Cheque Account	176,964
1,503,276	Term Deposits	1,503,311
<u>2,182,326</u>		<u>1,949,408</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 2022 (continued)

NOTE 8: TRADE AND OTHER RECEIVABLES

Amounts owing to the Board at 31 December 2022 comprise:

31/12/21		31/12/22
\$		\$
220	Trade Debtors	106,085
22,608	GST Receivable	30,114
3,464	Accrued Income	8,600
26,292		144,799

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 9: PREPAYMENTS

31/12/21		31/12/22
\$		\$
16,483	Insurance	18,493
16,483		18,493

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 2022 (continued)

NOTE 10: PROPERTY, PLANT & EQUIPMENT

31/12/21		31/12/22
\$		\$
	Land & Buildings	
	Freehold Land at:	
320,000	- Independent Valuation 31 December 2019	-
-	- Independent Valuation 31 December 2022	350,000
<u>320,000</u>		<u>350,000</u>
	Buildings at:	
408,000	- Independent Valuation 31 December 2019	-
(20,425)	Less: Accumulated Depreciation	-
-	- Independent Valuation 31 December 2022	550,000
-	Less: Accumulated Depreciation	(38)
<u>707,575</u>		<u>899,962</u>
<u>707,575</u>	Total Land & Buildings	<u>899,962</u>
55,997	Office Equipment - at cost	53,205
(49,027)	Less: Accumulated Depreciation	(45,801)
<u>6,970</u>		<u>7,404</u>
135,879	Motor Vehicles - at cost	145,119
(19,341)	Less: Accumulated Depreciation	(21,372)
<u>116,538</u>		<u>123,747</u>
32,954	Computer Equipment - at cost	33,434
(25,510)	Less: Accumulated Depreciation	(28,987)
<u>7,444</u>		<u>4,447</u>
138,363	Research Equipment - at cost	138,363
(122,892)	Less: Accumulated Depreciation	(128,197)
<u>15,471</u>		<u>10,166</u>
<u>146,423</u>	Total Plant & Equipment	<u>145,764</u>
<u>853,998</u>	Total Property, Plant & Equipment	<u>1,045,726</u>

(a) Land and buildings were revalued by John Carbone, AAPI Certified Practicing Valuer as at 31 December 2022 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 - 2022

WDV	Land & Buildings \$	Research Equipment \$	Office Equipment \$	Motor Vehicle \$	Computer Equipment \$	Totals \$
Balance at 1 January 2022	707,575	15,471	6,970	116,538	7,444	853,998
Acquisitions	30,721	-	1,813	50,338	480	83,352
Revaluation	172,151	-	-	-	-	172,151
Depreciation	(10,485)	(5,305)	(1,194)	(19,957)	(3,477)	(40,418)
Disposals	-	-	(185)	(23,172)	-	(23,357)
Balance at 31 December 2022	899,962	10,166	7,404	123,747	4,447	1,045,726

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2022 (continued)

NOTE 10: PROPERTY, PLANT & EQUIPMENT (continued)

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

NOTE 11: TRADE AND OTHER PAYABLES

31/12/21		31/12/22
\$		\$
92,124	Trade Creditors	35,046
3,510	GST Payable	20,009
12,965	PAYG Withholding	8,252
30,437	Accruals	38,989
-	Grower Fees & Charges	393
3,003	Credit Cards	403
<u>142,039</u>		<u>103,092</u>

NOTE 12: EMPLOYEE BENEFITS

CURRENT

31/12/21		31/12/22
\$		\$
8,818	Provision for Annual Leave	16,937
-	Provision for Long Service Leave	-
<u>8,818</u>		<u>16,937</u>

NON-CURRENT

31/12/21		31/12/22
\$		\$
5,405	Provision for Long Service Leave	8,804
<u>5,405</u>		<u>8,804</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2022 (continued)

NOTE 13: EQUITY

(a): RESERVES

31/12/21		31/12/22
\$		\$
334,370	Opening balance	334,370
-	Net increase/(decrease) on revaluation of land & buildings	172,150
334,370		506,520

(b): RETAINED EARNINGS

31/12/21		31/12/22
\$		\$
2,378,467	Retained earnings at the beginning of the financial year	2,588,467
210,000	Surplus/(Loss) for the year	(65,394)
2,588,467	Retained earnings at the end of the financial year	2,523,073

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

31/12/21		31/12/22
Inflows		Inflows
(Outflows)		(Outflows)
\$		\$
210,000	Surplus/(Deficit) for the year	(65,394)
	Adjustments for:	
38,388	Depreciation	40,418
(3,995)	(Gain)/Loss on Sale of Assets	(8,007)
(7,176)	(Increase)/Decrease in Receivables	(113,371)
4,724	(Increase)/Decrease in Accrued Income	(5,135)
81,830	Increase/(Decrease) in Payables	(38,949)
(19,885)	Increase/(Decrease) in Employee Entitlements	11,519
(357)	(Increase)/Decrease in Prepayments	(2,011)
303,529	Net Cash provided by operating activities	(180,930)

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2022 (continued)

NOTE 15: FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies

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

(b) Interest Rate Risk

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

2022	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%	446,097	-	-	-	-	446,097
Term Deposits	0.65%	-	1,503,311	-	-	-	1,503,311
Trade and Other Receivables	-	-	-	-	-	114,685	114,685
		446,097	1,503,311	-	-	114,685	2,064,093
Financial Liabilities							
Payables	N/A	-	-	-	-	74,831	74,831
		-	-	-	-	74,831	74,831

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

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2022 (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.

(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	Fair Value	Carrying Amount	Fair Value
	2022	2022	2021	2021
	\$	\$	\$	\$
Financial Assets				
Cash and Cash Equivalents	1,949,408	1,949,408	2,182,326	2,182,326
Trade and other Receivables	114,685	114,685	3,684	3,684
Other Investments	-	-	-	-
Financial Liabilities				
Trade and other Payables	74,831	74,831	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 2022 (2021: nil).

NOTE 17: CONTINGENT LIABILITIES

The Board is not aware of any contingent liabilities as at the date of signing of the accounts (2021: nil).

NOTE 18: RELATED PARTY TRANSACTIONS

During the 2022 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 2022 (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.

31/12/21		31/12/22
\$		\$
235,799	Short-term benefits	214,619
21,281	Post-employment benefits	19,475
2,285	Other long-term benefits	107
259,365	Total remuneration	234,201
8	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. The board has a business card facility of \$21,000 at 31 December 2022 (31 December 2021: \$21,000).

(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.

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2022 (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:

31/12/21		31/12/22
\$		\$
	Change in surplus	
6,791	Increase in interest rate by 1%	4,461
(6,791)	Decrease in interest rate by 1%	(4,461)

31/12/21		31/12/22
\$		\$
	Change in equity	
6,791	Increase in interest rate by 1%	4,461
(6,791)	Decrease in interest rate by 1%	(4,461)

NOTE 21: SUBSEQUENT EVENTS

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

End of Audited Accounts

2023 CONSOLIDATED BUDGET AS PER STRATEGIC PLAN 2023-2027

2022 Budget	2022 Actual	EXPENSE ACCOUNTS	2023 Budget
INCOME			
-	\$629,148	Charges (\$3.90 per tonne)	-
\$877,500	-	Charges (\$3.90 per tonne – 225,000 tonnes)	\$877,500
\$12,000	\$9,170	Interest from Bank Accounts	\$12,000
-	\$8,007	Gain/(loss) on Sale of Assets	\$40,000
\$5,125	\$1,840	Income from Operating Activities (Sundries)	\$5,125
-	\$60,000	Grant Income	-
\$894,625	\$708,165	TOTALS	\$934,625
OPERATING EXPENDITURE			
\$16,000	\$15,775	Accountancy Fees	\$16,000
\$4,450	\$4,280	Advertising Activities	\$4,450
\$43,875	\$42,297	Agency Expense	\$43,875
\$17,500	\$18,470	Audit Fees – Statutory	\$17,500
\$1,550	\$714	Bank Fees and Charges	\$1,500
\$95,000	\$88,580	Board Fees and Allowances	\$95,000
\$7,100	\$13,044	Computer Expenses	\$7,100
\$4,900	\$10,872	Conferences/Seminars	\$4,900
\$74,400	\$61,298	Consultancy Costs	\$74,400
\$35,000	\$40,414	Depreciation Expense	\$37,000
-	\$500	Donations	-
\$8,800	\$14,588	Fringe Benefits Tax	\$9,000
\$9,250	\$26,441	Industry Functions	\$10,050
\$15,750	\$16,080	Insurance	\$18,000
\$1,500	\$62	Legal Fees	\$1,500
\$11,800	\$11,993	Motor Vehicle Expenses (fuel, registration, etc)	\$11,800
\$6,000	\$16,311	Point of Access Office Expenses	\$12,000
\$13,260	\$14,075	Postage and Telephone	\$13,260
\$9,950	\$6,287	Printing and Stationary	\$9,950
\$35,000	\$20,000	Promotion	\$35,000
\$5,588	\$8,119	Provision: Annual Leave	\$5,588
\$2,200	\$3,400	Provision: Long Service Leave	\$2,200
\$3,850	\$3,379	Rates	\$3,800
\$5,600	\$2,376	Research Consumable	\$5,600
\$100,000	-	Research Payments	\$20,000
\$280	-	Return of Statutory Fees – growers < 20t	\$280
-	\$700	Reimburse Chemical Certificate Training	-
\$251,774	\$244,239	Salaries and Wages	\$251,775
-	\$0	Sponsorship	-
\$8,360	-	Staff and Board Training	\$8,360
Subscriptions:			
\$11,500	\$10,435	Magazines Subscription for Growers	\$11,500
\$7,350	\$9,553	Irrigation Representation and Sundries	\$11,000
\$12,000	\$12,000	NSW Wine Industry Association	\$12,000
\$1,950	\$1,863	Sundry Subscriptions	-
\$25,000	-	Inland Regions Alliance	\$25,000
-	-	Papers, Business Australia, NSW Farmers	\$1,950
\$4,000	\$106	Sundry expense	\$4,000
\$31,719	\$33,797	Superannuation (includes \$7,800 of Board Member superannuation)	\$34,236
\$16,550	\$21,507	Travelling Expenses	\$15,000
\$898,806	\$773,555	TOTAL EXPENDITURE	\$834,574
(\$4,181)	(\$65,390)	SURPLUS/(DEFICIT)	\$100,051
BUDGETED CAPITAL EXPENDITURE			
-	\$50,338	Motor Vehicle, Office Equipment, Computer Equipment	\$60,000
-	\$33,014	Building, Office, Computer & Research Equipment	-
-	\$83,352	TOTAL CAPITAL EXPENDITURE	\$60,000
\$898,806	\$856,907	TOTAL EXPENDITURE (including capital expenditure)	\$894,574
(\$4,181)	(\$148,742)	SURPLUS/(DEFICIT) – including capital expenditure	\$40,051

The above 2023 Budget was presented and approved by growers 12 October 2022



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