

Phylloxera and Grape Industry Board of South Australia (t/a Vinehealth Australia) 2017-18 Annual Report

Phylloxera and Grape Industry Board of South Australia (t/a Vinehealth Australia)

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ISSN 2207-0958

Date presented to Minister: 28 September 2018

To:	
Hon. Tim Whetstone (MP)	
Minister for Primary Industries and Regional	I Development
This annual report is to be presented to Par requirements of the <i>Phylloxera and Grape I 2009</i> and meets the requirements of Premie <i>Reporting</i> .	ndustry Act 1995 and Public Sector Act
This report is verified to be accurate for the Parliament of South Australia.	purposes of annual reporting to the
Submitted on behalf of the Phylloxera and (t/a Vinehealth Australia) by:	Grape Industry Board of South Australia
Inca Pearce	
CEO	
VR.	28 September 2018
Signature	Date

Pursuant to Section 26(1) of the *Phylloxera and Grape Industry Act 1995*, Vinehealth Australia must, no later than 31 July in each year, submit to the Minister a report on its operations during the financial year. However, the Premier and Cabinet Circular *P013 Annual Reporting* for 2017-18 was only released on the 13 August 2018. Therefore, to ensure compliance with *P013 Annual Reporting* Vinehealth Australia was granted an extension to submit the 2017-18 Report on 30 September 2018.

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Section A: Reporting required under the *Public Sector Act* 2009, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act* 1987

Agency purpose or role

Vinehealth Australia (Vinehealth) drives biosecurity for the grape and wine industries by assessing risk, responding to pest threats, participating in national and state policy development, education and awareness, surveillance, research and development priority setting and emergency response activities. This ensures the prosperity and growth of South Australia's grape and wine industries, the people it directly employs, those employed across its supply chain, regional communities and the burgeoning wine tourism sector.

As stated in the Phylloxera and Grape Industry Act 1995:

'To provide for the protection of vineyards from disease and to assist and support the grape industry in South Australia.'

Objectives

- Phylloxera remains within the existing Phylloxera Infested Zones in Australia.
- Exotic pests are prevented from entering vineyards in Australia.
- In the event of an exotic pest or phylloxera incursion in a vineyard, the pest is eradicated or contained and the impact on grape and wine assets minimised.
- Effective management of high priority endemic pests of vineyards.
- A rigorous biosecurity system to enable market access, export growth, inbound tourism and to protect the asset value of vineyards.

Definition of the term 'pest' used throughout this annual report:

Pests include insects, mites, snails, nematodes, pathogens (diseases) and weeds
that are injurious to vines and grapes. Exotic pests are those not currently present
in Australia. Established or endemic pests are those currently present within
Australia.

Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
Strengthen the wine industry's capacity and capability to prepare for, prevent and respond to pest incursions.	A successful wine industry creates jobs and business opportunities for South Australians. A strong wine industry creates career opportunities for young South Australians. A strong South Australian wine industry is an attractive investment option for others.
2. Ensure cohesion and commitment to effective and efficient biosecurity management by system participants.	A strong South Australian biosecurity industry requires passionate and skilled participants. This provides career opportunities and investment options for suitable businesses.
3. Provide information, insights and intelligence to drive biosecurity decision-making and investment.	A strong South Australian biosecurity industry provides career opportunities and investment options.
	Our planned Digital Biosecurity Platform will deliver new technology and investment opportunities for the Australian grape and wine industries.
	A successful wine industry creates jobs and business opportunities for South Australians.
	A strong wine industry creates career opportunities for young South Australians.
4. Build a mature business model for Vinehealth Australia.	A successful wine industry creates jobs and business opportunities for South Australians.
	A strong wine industry creates career opportunities for young South Australians.
	A strong South Australian wine industry is an attractive investment option for others.
	Less government regulation encourages wine business investment and growth.

Agency programs and initiatives and their effectiveness and efficiency

A comprehensive summary of Vinehealth's operations, initiatives and performance is detailed in Section B of this report.

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
1. Strengthen the wine industry's capacity and capability to prepare for, prevent and respond to pest incursions.	 Phylloxera and general biosecurity awareness and education improved. Biosecurity research and development investment strengthened, and science translated into practical solutions for industry. Effective response activities provided to suspected or confirmed exotic or declared endemic pests. Effective management of the Naracoorte Heat Shed. Compliance with state quarantine legislation and regulations encouraged. 	South Australia continues to remain free of phylloxera and many of the other pests and diseases that threaten grape and wine industries in Australia and globally.
2. Ensure cohesion and commitment to effective and efficient biosecurity management by system participants.	 Discussions with other industry statutory and representative organisations regarding ongoing biosecurity management in the wine industry commenced. Active contribution to National Viticulture Biosecurity Committee and associated projects. Engagement with the national biosecurity sector to advocate wine industry imperatives. 	The South Australian grape and wine industries are in a strong position nationally, driving biosecurity leadership, initiatives and participation.
3. Provide information, insights and intelligence to drive biosecurity decision making and investment.	 Provide active surveillance of South Australian vineyards for phylloxera and other vine health issues. Maintain the Vineyard Register. Develop a new digital biosecurity platform. 	South Australia remains the only Australian state with a database of every vineyard in the State, which provides vital intelligence to grape and wine industries.
4. Build a mature business model for Vinehealth Australia.	 Effectively manage contributions payable. Review the levy structure and system. Provide timely assistance to the grape industry. Enhance governance across Vinehealth operations. 	Vinehealth's commitment to continuous improvement has created a sustainable and effective biosecurity organisation in South Australia.

Legislation administered by the agency

Phylloxera and Grape Industry Act 1995

Organisation of the agency

Staff

Vinehealth is a small agency with four employees at 30 April 2018. Vinehealth has a mix of full time and part time staff, with 3.6 full-time equivalents in 2017-18.

There are no divisions in Vinehealth, simply a Chief Executive Officer (CEO) with three directs reports; an Office Manager, Geographic Information Specialist (GIS) and Technical Manager. The Chief Executive Officer reports to the Board of Vinehealth.

Refer to http://vinehealth.com.au/who-we-are/staff/ for profiles on current staff and the Vinehealth organisation chart.

Board

Pursuant to Section 5 of the *Phylloxera and Grape Industry Act 1995*, the Board of Vinehealth has up to eight members appointed by the Minister, and a ninth member being the Chief Inspector for Biosecurity SA.

Of those appointed by the Minister, one member must have expertise in viticultural research and up to seven are nominated by one or more organisations or bodies that, in the opinion of the Minister, have significant involvement in grape growing or winemaking. Board members serve a term of not more than three years and are eligible for reappointment at the end of their term. Each year in July, the board members elect an existing member to be Chair (Presiding Member) for a term of one year.

The Board deals with all matters relating to the strategic oversight and management of Vinehealth, and as such there are no committees of the Board.

Board members

Roseanne Healy was initially elected as Chair of the Board on 9 September 2016 and reelected as Chair in July 2017 and again in August 2018. The term of the current Board expires 1 July 2019 after a three-year term.

Refer to http://vinehealth.com.au/who-we-are/board-members/ for profiles on current board members and Chair.

Other agencies related to this agency (within the Minister's area/s of responsibility)

Primary Industries and Regions South Australia (incorporating Biosecurity SA)

Employment opportunity programs

Program name	Result of the program	
Not applicable	In 2017-18, no Vinehealth employees were recruited through a public sector wide employment opportunity program.	

Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
Employee Performance and Development Review (EPDR)	A key focus for Vinehealth is to ensure complete alignment of the EPDR system with that recommended by the Office for the Public Sector (OPS). Correspondence with OPS has highlighted recommended approach.
	With this in mind, EPDR's will again be conducted for all staff (except the CEO) in the first half of 2018-19 under a revised system.
	The Board reviewed the performance of the CEO at the beginning of 2017-18.
	Ongoing informal one-on-one meetings were held with staff to discuss their work priorities and identify support, training or other requirements to ensure they could deliver work to set requirements within timeframes.
Discipline Policy (Poor Performance & Serious Misconduct)	This policy was not required during the 2017-18 reporting period for employees of Vinehealth.

Work health, safety and return to work programs of the agency and their effectiveness

Program name and brief description	Effectiveness	
During the 2017-18 reporting period, all Work Health and Safety policies were maintained. They include:	All policies remain effective in providing a rigorous framework for the safety of Vinehealth	
 Work Health and Safety policy 	employees.	
Emergency Plan	In addition, at weekly staff meetings, Work, Health and Safety	
Office Security Policy	is the first agenda item, providing	
 Working Alone on Premises Policy (outside of normal office hours) 	the opportunity for staff to raise any concerns and for management to action and resolve.	
 Remote Work – Field Work Policy 		
 Travelling for Work Policy (by motor vehicle or other means) 		
 Bullying and Harassment Policy 		
 Incident Reporting and Investigation Policy 		
Ongoing program to ensure the safe and	Activities include:	
effective operation of the Naracoorte Heat Shed.	Preventative maintenance schedule implemented.	
	Standard Operating Procedures (SOP) updated as required.	
	Modified user access to ensure Heat Shed Manager on site at commencement and conclusion of cycle to ensure compliance with SOP.	
	Training sessions completed for industry personnel requiring accreditation to use the facility.	
	This program delivers a safe operating environment for accredited users and the heat shed manager.	

Work health and safety and return to work performance

	2017-18	2016-17	% Change (+ / -)
Workplace injury claims			
Total new workplace injury claims	0	0	0
Fatalities	0	0	0
Seriously injured workers*	0	0	0
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0
Work health and safety regulation			
Number of notifiable incidents (WHS Act 2012, Part 3)	0	0	0
Number of provisional improvement, improvement and prohibition notices (WHS Act 2012 Sections 90, 191 and 195)	0	0	0
Return to work costs**			
Total gross workers compensation expenditure (\$)	0	0	0
Income support payments – gross (\$)	0	0	0

^{*}number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the *Return to Work Act 2014 (Part 2 Division 5)***before third party recovery

Data for the past five years is available by contacting the Vinehealth Australia office

Fraud detected in the agency

Category/nature of fraud	Number of instances
No fraud was detected in 2017-18	Not applicable

Strategies implemented to control and prevent fraud

Vinehealth implements a number of key strategies to control and prevent fraud throughout the organisation. This is particularly important given the delegated authority from the Commissioner of State Taxation to the Presiding Member of Vinehealth to levy, collect and recover contributions payable under the *Phylloxera and Grape Industry Act 1995*.

These strategies include:

- Provision of Code of Ethics for the SA Public Sector and Public Sector (Honesty and Accountability) Act 1995 to all employees through their induction program.
 Staff are also reminded of these responsibilities during performance reviews and development.
- Ongoing promotion to employees during staff meetings regarding the prevention, identification and reporting of actual or suspected instances of fraud
- Delegations of Authority Policy reviewed and approved by the Board annually.
- The external auditor of Vinehealth reports directly to the Board of Vinehealth on its findings and recommendations.
- Policies and procedures are developed and annually reviewed for all financial operations.
- Information regarding conditions of employment and organisational policies are provided in the Vinehealth Australia Employee Handbook, which is provided during induction.
- Policies and procedures are developed and implemented for the maintenance of vineyard owner records in the Vineyard Register (pursuant to Section 19 of the Phylloxera and Grape Industry Act 1995).
- Integrity audit completed by external provider of contributions payable under the *Phylloxera and Grape Industry Act 1995*, to ensure accuracy and to resolve any issues identified.
- Provision of roles and responsibilities, Code of Ethics for the SA Public Sector and Public Sector (Honesty and Accountability) Act 1995 to Board members at the commencement of their term.
- A conflict of interest register for Board members is maintained and is a standing agenda item at the beginning of all Board meetings.
- Confidentially agreements are entered into with all contractors and consultants to Vinehealth.
- Vinehealth implements the State Procurement Board's procedures and processes in relation to any procurement over \$33,000.
- Vinehealth has established a relationship with RevenueSA to perform debt recovery for those vineyard owners that continue to default on payment of their mandatory contributions. This process is managed between RevenueSA and Vinehealth against agreed policies and procedures to ensure transparency and accountability.

Data for the past five years is available by contacting the Vinehealth Australia office

0

Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistle-blowers' Protection Act 1993*

Data for the past five years is available by contacting the Vinehealth Australia office

Executive employment in the agency

Executive classification	Number of executives
Term un-tenured	1

Data for the past five years is available by contacting the Vinehealth Australia office

The Office of the Commissioner of Public Sector Employment has a data dashboard for further information on the breakdown of executive gender, salary and tenure by agency.

Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Consultancies below \$10,000	each	
Crown Solicitors Office	Provision of legal counsel	\$7,856
	Subtotal	\$7,856
Consultancies above \$10,000	each	
Econsearch/BDO	Review of levies	\$17,273
	Subtotal	\$17,273
Total all consultancies		\$25,129

Data for the past five years is available by contacting the Vinehealth Australia office

See also the Consolidated Financial Report of the Department of Treasury and Finance http://treasury.sa.gov.au/ for total value of consultancy contracts across the SA Public Sector.

Contractors

The following is a summary of external contractors that have been engaged by Vinehealth, the nature of work undertaken and the total cost (where applicable respecting commercial-inconfidence and clauses in contractual agreements).

2017-18 ANNUAL REPORT for the Phylloxera and Grape Industry Board of South Australia (t/a Vinehealth Australia)

Contractor	Purpose	Value
Perks & Associates	Integrity audit of levies and raising of penalties, independent external audit of Vinehealth's accounts, monthly accounting service (for April 2018) and transition of Vinehealth's accounting system to new system to allow greater transparency	\$48,141
Biz Hub	IT architecture, ongoing development of and systems support for Vineyard Register	\$31,098
SJN Noble & Associates	Provision of monthly accounting service (11 months to 30 March 2018)	\$22,387
Rho Envirometrics	Statistician for DNA research project	\$15,903
Rebecca Weatherill Consulting	Responsible Visitation Campaign training manager	\$12,242
South Australian Research and Development Institute	Assistance with compilation of final DNA research report	\$12,355
Hydra Consulting	Development of Digital Biosecurity Platform concept and procurement	
Cindie Smart Consulting	Communications contractor (e-news, articles, fact sheets, presentations, annual report, strategic plan, website) + campaign manager for the Responsible Visitation Campaign	
Lettscom	Provision of monthly IT service and help desk	

Data for the past five years is available by contacting the Vinehealth Australia office

The details of all South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website here.

The website also provides details of across government contracts <u>here</u>.

Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2017-18 are attached to this report.

Total income for Vinehealth in 2017-18 was \$1,070,040, up 9.6% from 2016-17, as a result of a 44% increase in grant income. Income from grower contributions (levies) payable under the *Phylloxera and Grape Industry Act 1995* remained stable given insignificant changes in the total registered vineyard area (hectares).

Expenditure increased by 19.6% from 2016-17 as a result of an increase in project expenses and total employee benefits expenses. The rise in employee expenses reflects that the Technical Manager position was vacant for a quarter of the 2016-17 during the

recruitment process. Project expenses increased by 84% due to delivery of the Responsible Visitation Campaign, which was funded by a grant from Primary Industries and Regions SA (PIRSA).

An overall deficit position of \$84,525 resulted for 2017-18. This resulted in a 4% decrease in total equity of Vinehealth from \$2,141,161 in 2016-17 to \$2,056,636 in 2017-18. It is important to note that current year levies are invoiced yearly in arrears at the end of the financial year (30 April 2018), therefore \$742,587 of total equity has yet to be received as at 30 April 2018.

Vinehealth maintains an incursion fund of \$100,000 to support communications, administration and technical activities consistent with the functions described under the Act, during the initial stages of an outbreak.

Vinehealth has assets worth \$2,270,709 in 2017-18, down 1.8% as compared to 2016-17, and made up primarily of \$1,190,371 in cash and cash equivalents and \$1,020,326 in receivables (the largest portion of which are current year levies yet to be received).

Liabilities as at 30 April 2018 total \$214,073, principally payables (creditors, accrued expenses, levies in advance and employee on-costs) and employee benefits.

In 2017-18 significant expenditure related to:

- Employee and board costs \$421,997 (36% of total expenditure)
- Project-based costs (DNA research project, Responsible Visitation Campaign, Digital Biosecurity Platform development, imagery acquisition, Coonawarra rootstock trial) – \$214,946 (19% of total expenditure)
- PBCRC participant \$100,005 (9% of total expenditure)
- Stakeholder communications and engagement \$92,676 (8% of total expenditure)

Note: This summary is unaudited

Other financial information

Nil to report

Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions

Nil to report

Section B: Reporting required under any other act or regulation

Name and date of act or regulation

Phylloxera and Grape Industry Act 1995

Section 26 - Report

(1) The Board must, no later than 31 July in each year, submit to the Minister a report on its operations during the financial year of the Board ending on the preceding 30 April.

Note: The Premier and Cabinet Circular *P013 Annual Reporting* for 2017-18 was released on the 13 August 2018. Therefore, to ensure compliance with *P013 Annual Reporting* Vinehealth Australia was granted an extension to submit the 2017-18 Report on 30 September 2018.

OPERATIONS AND INITIATIVES

Key operations and initiatives are reported against each of the strategies outlined in Vinehealth Australia Strategic Plan: Towards 2020

STRATEGIC PRIORITY 1:

STRENGTHEN THE WINE INDUSTRY'S CAPACITY AND CAPABILITY TO PREPARE FOR, PREVENT AND RESPOND TO PEST INCURSIONS

Vinehealth is committed to strengthening our biosecurity systems for the health of South Australian vineyards and the continued prosperity of our wine industry.

PERFORMANCE ASSESSMENT

Initiative	Performance indicators	Outcome
1. Improve phylloxera and	Increase the number of growers implementing farm gate hygiene practices by 5% year on year.	×
general biosecurity awareness	Increase website usage rates (number of sessions, users and page views) by 20% and number of webpages viewed by 20%.	~
and education.	'Open rate' and 'click through' rate of Vinehealth e-news above industry standards.	~
	Publish 'biosecurity alerts' and media releases as required.	V
	Weekly biosecurity information in industry journals/news.	/
	Activate two specific communications campaigns to provide practical biosecurity information that growers can implement.	~

2. Strengthen biosecurity research and development investment and translation of science into practical solutions for industry.	Active participation in shaping the national R&D plant biosecurity landscape.	~
	100% completion of project milestones in PBCRC contract for DNA project.	~
	100% implementation of Coonawarra rootstock trial sampling and reporting requirements.	×
	Facilitate the translation of scientific results relating to biosecurity, into practical solutions for growers and industry.	~
3. Provide effective	Response activated within 24 hours of notification of a suspected or confirmed exotic or significant endemic pest.	~
response activities to suspected or confirmed	100% implementation of incident management reporting requirements.	~
	Training programs for staff regarding response activities implemented.	~
exotic or declared	SA Phylloxera Outbreak Management Plan maintained.	✓
endemic pests.	All activities managed in conjunction with Biosecurity SA.	~
4. Ensure	Annual user accreditation training completed.	/
effective management of the Naracoorte Heat Shed.	Implementation of preventative maintenance schedule	/
	Promotion of heat shed to key stakeholders.	~
5. Encourage compliance with State quarantine legislation and regulations.	Develop a framework and process for the review of South Australia's Plant Quarantine Standards.	~

ANALYSIS OF PERFORMANCE

Initiative 1: Improve phylloxera and general biosecurity awareness and education

Vinehealth's communication and engagement implementation plan is targeted to support the delivery of the strategic plan and ensure that compelling content is delivered to all stakeholders in effective ways to:

- Excite growers about vineyard hygiene practices and to increase the number of growers implementing these practices.
- Improve compliance with state-based quarantine regulations.
- Encourage growers to regularly inspect their vines and seek help to confirm any unusual symptoms or pests.
- Ensure stakeholders understand and value Vinehealth's activities and services.

Vinehealth has invested heavily in improved communication and engagement since 2016, and results are positive. This investment will continue in 2018-19 with a clear focus on

improving the implementation of farm gate hygiene practices by growers and compliance with state guarantine standards by all industry stakeholders.

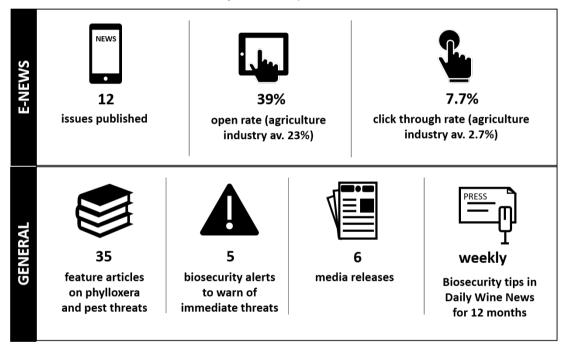
The percentage of growers implementing farm gate hygiene practices was assessed in May-June 2018 via a survey of South Australian Vineyard Owners. This has given us baseline adoption statistics. We will survey vineyard owners again in future years. This will enable us to track changes in the number of growers implementing farm gate hygiene practices, and then report against the first performance indicator.

A refresh of Vinehealth's website was completed in January 2018, with a new structure implemented and new content generated to increase usability. We will continue to measure website usage statistics in 2019.

Monthly e-news editions continue to be well received by an expanding subscriber list. The average open rate is just under 40%, which is well above industry average.

Refer http://vinehealth.com.au/category/news/ for details of all communication.

Continued investment in communication capability and capacity May 2017 – April 2018.



Further to the above activities, two new communications campaigns were activated to deliver practical and usable information to growers:

1. Responsible Visitation Campaign

This highly successful campaign was developed to promote responsible tourist visitation to South Australian wine regions. It aimed to educate tourists and wine tourism staff about their role in keeping vineyards healthy. The campaign ran from September 2017 to April 2018 and was jointly funded by PIRSA and Vinehealth, with additional support from the South Australian Wine Industry Association and the Winemakers' Federation of Australia.

The campaign included four key stages:

- Research into consumer knowledge of vine health issues and behaviour when visiting wine regions;
- · Training of cellar door and tourism staff;
- Activations in wine regions; and
- Public and industry awareness activities.

As part of the Vinehealth's Responsible Visitation Campaign, 10 consumer-facing sign options were designed in consultation with regional wine industry associations and PIRSA, for vineyards in close proximity to cellar doors and walking/cycling tracks.

These signs display specific messaging encouraging visitors to play their role in protecting the health of our grapevines by not walking down vine rows. The sign with the highest uptake included the message, "Please don't walk amongst our vines. Your shoes and clothing can spread pests and diseases. Help protect the vines that make our special wines."

These signs were available for purchase from late January 2018 and in the three months to the end of the financial year (March 2018), 68 signs were sold.

In addition, Vinehealth has encouraged vineyard owners to upgrade their farm-gate biosecurity signage at 'industry' entrances using modified Plant Health Australia farm-gate hygiene signs. These signs were also made available for purchase from late January 2018 with 27 signs sold by the end of March.

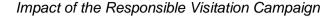
Significant promotion of these signs over the coming 12 months is expected to result in increased sales.

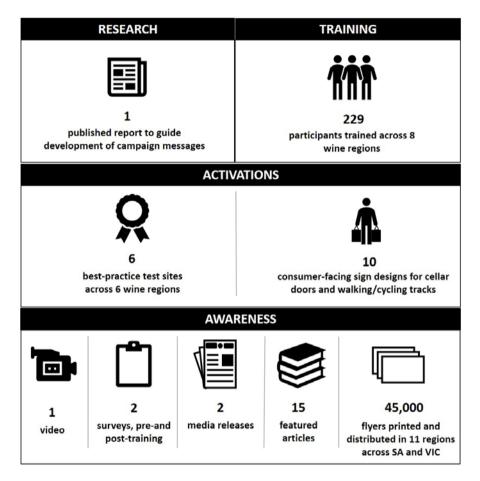
The Responsible Visitation Campaign and the associated Who's Hitchhiking With You? publicity campaign continue as part of Vinehealth operations.

Results of the Responsible Visitation Campaign included:

- Identification of a gap in industry knowledge among tourism/sales/marketing staff in biosecurity and vine health areas.
- Identification of issues in the way the wine industry is promoted, i.e., with images of tourists in vineyards.
- Development of a Wine Tourism Biosecurity Training Program for the wine industry that has national importance. Between February and April, 229 tourism staff were trained.
- Development of tourist-friendly language that demonstrates Australia's commitment to biosecurity, which can be used to enhance the cellar door and vineyard experience, rather than detract from it.
- Delivery of increased biosecurity awareness and capability among wine tourism operators.
- Creation of a blueprint for biosecurity awareness that can become a framework for national best practice.

- Development of a range of tourism-friendly collateral for ongoing use by the wine industry, including signage, flyers, adverts, videos, images and written content.
- Promotion of active discussion of the experiences wineries offer their tourists and the potential impacts on vine health.





The final Responsible Visitation Campaign report can be found at http://vinehealth.com.au/wp-content/uploads/2018/03/VHA-RVC-Final-Report-website-June-2018.pdf.

2. Vintage toolkit

Feedback from the wine industry encouraged us to package together specifically tailored biosecurity information relevant to vintage into a toolkit. The Vintage Toolkit was released in January 2018 and consists of:

- New flowcharts for South Australia's Plant Quarantine Standards to help growers navigate the legal requirements of moving grapes, grape products, diagnostic samples, machinery, equipment and propagation material into SA;
- A new fact sheet on keeping vines safe when industry visitors need to enter your vine rows;
- An updated Footwear and Small Hand Tool Disinfestation Protocol, with a handy user-guide;

- A Visitor Sign In Template;
- A Fact Sheet for employing international staff;
- · A Naracoorte Heat Shed FAQ guide; and
- An Exotic Pests poster to assist growers with identification of key pest and disease risks.

As a means to providing growers with a solution to improve visitor footwear and small hand tool disinfestation on-farm, Vinehealth began producing and selling tailor-made disinfestation kits from January 2018. Included in each kit is:

- A comprehensive guide to setting up a disinfestation station;
- The step by step process for conducting cleaning and disinfestation steps to ensure effective kill of phylloxera;
- The required equipment for footwear cleaning and disinfestation;
- Protective footwear alternatives (rubber boots and sturdy disposable shoe covers);
- A disposable chemical suit; and
- Links to extensive education material on best practice measures to protect your vines.
- 3. In addition, the Tour Down Under campaign was continued in 2018, to warn SA growers with vineyards on the bike route of the heightened biosecurity risk given increased tourist activity. Sixty-five free biosecurity signs were provided to affected growers, to attach to relevant vineyard gates and fences.

Initiative 2. Strengthen biosecurity research and development investment and translation of science into practical solutions for industry

Research and development is a key enabler of our national biosecurity system, which protects the Australian grape and wine industries and the communities and industries it feeds.

Plant biosecurity research and development (R&D)

As a financial participant of the Plant Biosecurity Cooperative Research Centre (PBCRC) since its inception in 2012, Vinehealth was involved in the process to wind up the PBCRC, which occurred on 30 June 2018. Vinehealth aimed to ensure that intellectual property was appropriately assigned, and that systems were in place to ensure ongoing access to information.

Over the 6 years that Vinehealth has been a participant of the PBCRC it has enabled Vinehealth to:

- Be part of a large network of scientists and regulators looking to answer key biosecurity challenges and questions.
- Find better ways to translate results of research into practical outcomes for industry.

- Influence the allocation of funds to research on biosecurity issues of highest priority for Australia and the grape and wine industries.
- Successfully lead the project funded by the PBCRC to develop a new detection and laboratory diagnostic method for phylloxera (see below).

'DNA project': Sampling strategies for sensitive, accurate cost-effective detection of phylloxera for quantifying area freedom status

Vinehealth successfully led the completion of a six-year collaborative project on the development of an additional detection method for phylloxera. Refer http://www.vinehealth.com.au/projects/dna-testing-early-accurate-detection/ for detailed information on the objectives of the project and final report.

This project has successfully developed a field sampling protocol for collecting soil cores and validated a diagnostic protocol using qPCR for the detection and quantification of phylloxera ('DNA method').

This project has delivered a significant advancement in the ability of industry and regulators to detect phylloxera, and therefore manage the impact of this devastating insect on vines.

Work is underway to integrate the DNA method into the National Diagnostic Protocol for Phylloxera and the National Phylloxera Management Protocol. Extension to industry and regulators will follow to ensure rapid uptake and adoption. Of importance is integration into the surveillance strategy for phylloxera in SA.

Coonawarra Rootstock Trial

In the state's Limestone Coast, we continue to partner with Treasury Wine Estates (TWE) and Coonawarra Grape and Wine Incorporated (CGWI) in a long-term rootstock trial planted in the region's famed terra rossa soil. Now in its ninth year, the project is comparing the performance of own-rooted Cabernet Sauvignon (CW 44 clone) vines with eight rootstocks. Refer to http://vinehealth.com.au/projects/coonawarra-rootstock-trial/ for detailed information on the trial objectives, setup and preliminary results.

Unfortunately the trial site was heavily frosted in spring 2017, therefore, given damage to the vines, no assessment of vine, grape or wine was made in the 2018 vintage. Vines will be carefully monitored in 2018 to determine whether assessment in the 2019 vintage can be undertaken.

Science translated into practice for industry

Studies undertaken by Agriculture Victoria (and co-funded by Wine Australia) revealed differences in phylloxera strain susceptibility to disinfestation treatments. At a 2% strength sodium hypochlorite with no rinse, a 60 second treatment was required to demonstrate 100% mortality across all strains.

These findings underlined the importance of carrying out footwear and small hand tool disinfestation at the correct concentration and duration, without a rinse thereafter, to ensure the effectiveness of the treatment. Previously, effective disinfestation duration had been promoted as 30 seconds.

In response, Vinehealth updated the Footwear and Small Hand Tool Disinfestation Protocol, and created a handy user-guide. The new materials were included in the 2018

Vintage Toolkit and a separate poster was produced, printed and posted to South Australian vineyard owners.

Initiative 3. Ensure effective response activities to suspected or confirmed exotic or declared endemic pests

Vinehealth maintains capability and capacity to respond to grower requests to investigate unresolved significant vine health issues and other significant biosecurity incidents.

During 2017-18, Vinehealth responded to three requests by growers for assistance in determining the cause of significant vine decline. After comprehensive investigations, and in accordance with incident reporting requirements, all were confirmed not to be an exotic or declared endemic plant pest. Information was provided to the growers about management options.

In addition, Vinehealth supported Biosecurity SA in ensuring compliance against Interstate Certification Assurance arrangements during vintage 2018 and investigating and resolving matters raised.

Vinehealth provides support to Biosecurity SA (PIRSA) in relation to all biosecurity matters under the Emergency Plant Pest Response Deed (EPPRD) that could impact grapevines or the wine and grape industries. Items raised under the EPPRD, and thus any related activities of Vinehealth, remain confidential until the appropriate time that broader information can be supplied to industry and the community. These included:

Grapevine Pinot Gris Virus

Vinehealth invested significant resources in responding to and managing the Grapevine Pinot Gris virus (GPGV) incursion during 2017-18, with technical, communication, engagement and tactical advice and support provided to Biosecurity SA. Of concern were the significant knowledge gaps about GPGV. Vinehealth sought and was successful in obtaining funding from Wine Australia to lead a collaborative team, involving Agriculture Victoria, the Australian Wine Research Institute and expert consultants, to gain additional knowledge on GPGV. This knowledge is being used to:

- Understand the risk of GPGV to Australian grape and wine industries.
- Empower growers to manage infected blocks and to minimise spread of GPGV.
- Empower nursery and vine improvement sectors to adopt appropriate management strategies to maintain high health status of planting material.
- Understand and prioritise requirements for research and development on GPGV.

This project is due to report by December 2018.

Brown Marmorated Stink Bugs

Vinehealth has supported the communication of key messages regarding the risk posed by Brown Marmorated Stink Bugs (BMSB) to industry and suppliers given recent incursions in Australia, and the steps to be taken if a suspect bug is found.

Fruit Flies

Vinehealth has provided key information on Riverland vineyards and harvest status in support of fruit fly initiatives being undertaken by Biosecurity SA. Vinehealth was a key information conduit between growers and Biosecurity SA – providing timely and practical information to support operations.

Phylloxera

With the threat of phylloxera ever present, Vinehealth has continued its review of the state Outbreak Management Plan for phylloxera. Planned simulations in 2018 will provide vital information to incorporate in the plan. Consultation with industry will occur to ensure a robust defence against the introduction, establishment and spread of phylloxera.

Initiative 4. Ensure effective management of the Naracoorte Heat Shed

Vinehealth continues to operate the Naracoorte Heat Shed in the state's Limestone Coast. This is a purpose-built facility for disinfesting machinery and equipment that has been used in vineyards to prevent the spread of pests.

Heat shed use dropped during 2017-18 to 21 uses, compared to 30 uses in the previous 12 months. Ongoing promotion of the heat shed continues through various communications channels and with support of the industry in the Limestone Coast.

Initiative 5. Encourage compliance with State quarantine legislation and regulations

To prevent the entry of phylloxera into South Australia, the state has strict quarantine legislation (laws) and associated regulations, which restrict or prohibit the movement of 'phylloxera risk vectors' – i.e., items that could carry phylloxera. Anyone wishing to move any risk items into SA must comply with the legislation outlined in the South Australian Plant Quarantine Standard.

Vinehealth identified an opportunity to assist growers, wineries, contractors, nurseries and carriers to better understand and interpret the SA Plant Quarantine Standard, thereby improving compliance with these requirements. A series of easy-to-use flowcharts were designed, reviewed and approved by Biosecurity SA and communicated through Vinehealth's website, e-news and directly targeted to end users. Refer http://vinehealth.com.au/wp-content/uploads/2018/04/Flowchart-presentation-of-current-v13-of-SA-PQS-FINAL.pdf for a copy of the flowcharts.

In addition, Vinehealth is undertaking a review of the current SA Plant Quarantine Standard to improve readability of the Conditions pertaining to winegrapes and incorporating outcomes of recent research on phylloxera. This work will continue into 2018-19 and will be underpinned by a state risk assessment for phylloxera. Recommendations will be made to Biosecurity SA and the Minister for Primary Industries and Regional Development following industry consultation.

STRATEGIC PRIORITY 2: ENSURE COHESION AND COMMITMENT TO EFFECTIVE AND EFFICIENT BIOSECURITY MANAGEMENT BY SYSTEM PARTICIPANTS

The national biosecurity landscape is increasingly complex and hard to manage. It's being driven by skyrocketing global trade and tourism, agricultural expansion and intensification, urbanisation and climate change.

The modern biosecurity landscape is also characterised by changing government and industry priorities, increased scrutiny from trading partners during market access negotiations with the need to substantiate area freedom status, and an increasing desire from authorities for individual growers to manage their own biosecurity risks.

Vinehealth continues to work closely with vineyard owners and all participants of the wine supply chain, to ensure the best biosecurity outcomes from South Australia.

PERFORMANCE ASSESSMENT

Initiative	Performance indicators	Outcome
6. Ensure cohesion and commitment to effective and efficient biosecurity management by system participants.	Commence discussions with other industry statutory and representative organisations regarding ongoing biosecurity management in the wine industry.	~
	Active contribution to National Viticulture Biosecurity Committee and associated projects.	~
	Engagement with the national biosecurity sector to advocate wine industry imperatives.	~

Vinehealth continues to advocate for a purposeful investment in grape and wine biosecurity through meetings, discussion papers, speeches and articles.

In 2017-18 Vinehealth prepared discussion papers for national wine industry bodies outlining the urgency of action required and detailing a blueprint to improve biosecurity outcomes for the grape and wine industry.

Vinehealth presented risks and recommendations to numerous industry groups in South Australia and nationally, including SA grower meetings, regional wine industry meetings, state wine industry meetings (e.g., South Australia, Tasmania and Queensland Wine Industry Associations), Wine Australia board meetings and more.

Vinehealth supported the National Viticulture Biosecurity Committee (NVBC) in undertaking a desktop review to inform a national approach to grape phylloxera management. This document is a precursor to a substantial investment by industry and state regulators in developing a new national management strategy for phylloxera. Vinehealth will be a key contributor to the development of this national strategy over the next 2 years.

Vinehealth continued to represent the interests of the wine industry and vineyard owners through active participation in state and national biosecurity meetings for plant industries, including Area Wide Management groups, Biosecurity roundtables and meetings on

specific threats or topics including *Xylella fastidiosa* and the development of a national biosecurity statement.

STRATEGIC PRIORITY 3: PROVIDE INFORMATION, INSIGHTS AND INTELLIGENCE TO DRIVE BIOSECURITY DECISION MAKING AND INVESTMENT

To supply our expanding wine markets and keep pace with growth, we need healthy, productive vineyards and continuity of supply. A rigorous biosecurity system enables market access, export growth and inbound wine tourism, and protects the wine industry's most valuable asset – its vineyards. Information, accurate data and scientific evidence is the key to informed biosecurity decision making.

PERFORMANCE ASSESSMENT

Initiative	Performance indicators	Outcome
7. Active surveillance of South Australian vineyards for phylloxera and other vine health issues.	Aerial imagery for Limestone Coast secured with 100% of hectares planted to vines digitised and comparative vine health assessment completed.	×
8. Maintaining the Vineyard Register.	Ensure ongoing accuracy of vineyard owner, land parcel information and planting details.	/
, -	Use information in the vineyard register to assist regions protect grapes from smoke taint.	~
9. A new digital biosecurity	Identify and source funding for phase 1 build	×
platform.	Prepare tender documents for procurement	/

ANALYSIS OF PERFORMANCE

Initiative 7. Active surveillance of South Australian vineyards for phylloxera and other vine health issues

Active surveillance for phylloxera in South Australia commenced in 2001 with the use of remote sensing and GIS technologies. Digital multi-spectral imagery is collected in summer and enhanced using a range of algorithms that highlight vines that have low vigour relative to the general health of the total vineyard block. These maps are overlaid on previous maps collected for that region to identify locations that should be physically inspected for phylloxera or other conditions that can affect vine health. Imagery is collected every three to five years for each grape growing region in SA, which enables multiple-year comparisons to detect vine decline.

A planned capture for the Limestone Coast was postponed due to weather and will be revisited late 2018.

With the development of the DNA method for the detection of phylloxera, a key focus for the coming year will be to review the state's surveillance plan for phylloxera. This surveillance plan will incorporate:

- Risk based selection of sampling sites.
- Incorporation of at least two endorsed primary phylloxera detection methods.

Statistical rigour in relation to sampling density and frequency.

Further work in 2018-19 is also required to re-digitise the boundaries of the Geographic Indicator Regions, Subregions and Zones to align with that described in the textural description to the GIS datasets held by South Australian departments such as DPTI - roads, LTO - land parcels.

Initiative 8. Maintaining the Vineyard Register

Pursuant to Section 19 of the Act, Vinehealth maintains a Register of people who own vineyards comprising 0.5 hectares or more of planted vines. The Register contains owner details, parcel and land titles information, vineyard area, grape variety, rootstock and age of vines. Each vineyard is mapped every 3-5 years. During 2017-18, Vinehealth continued to manage information in the Register to ensure its accuracy and currency.

Snapshot of Vineyard Register information for 2017-18

During 2017-18 there was a 0.09% decrease in the total registered vineyard area to 75,555 hectares in South Australia, and a reduction of 36 registered vineyard owners to 3,324. Total vineyard area in South Australia has remained relatively static in the range of 75,000 to 79,000 hectares since 2006.

Figure 1 shows the split of the 75,555 hectares of vineyards in South Australia by major grape variety, with the top three varieties, Shiraz, Cabernet Sauvignon and Chardonnay accounting for just over 70% of the total area planted to vineyards. There was slightly more than a 0.5% change in planted area between 2016-17 and 2017-18 for the top seven varieties, as shown in Figure 1.

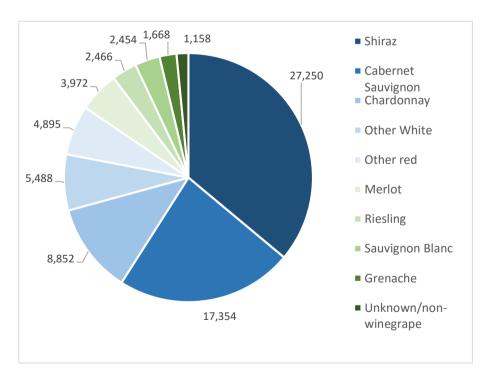


Figure 1. Split of hectares planted in South Australia to major grape varieties in 2017-18.

It is important to continue to highlight the vulnerability of South Australian vineyards to phylloxera. Data in the Vineyard Register show that 72% of vines in South Australia are planted on own roots, which are susceptible to attack by phylloxera. Of the major wine

growing regions in SA, the Riverland continues to have the greatest number of hectares on rootstock, being 49% of the region's total area.

Across SA, the top four rootstocks planted in order of percentage of the total vineyard area in SA planted, are Ramsey (7%), Paulsen 1103 (5%), Ruggeri 140 (2%) and 101-14 (2%).

Information from the Vineyard Register in 2017-18 provided source information for the South Australian Winegrape Crush Survey commissioned each year by South Australian Wine Industry Association, Wine Grape Council of South Australia and PIRSA – refer http://vinehealth.com.au/news-2/sa-winegrape-crush-survey/

Note: Once the next generation Vineyard Register, the 'Digital Biosecurity Platform' is built (refer Initiative 9), alignment with the State government's Open Data Declaration and full interoperability with Data.SA will be enabled.

The Register has again proven invaluable during the 2018 vintage in assisting the Barossa Grape and Wine Association and Adelaide Hills Wine in managing the timing of planned autumn prescribed burns by the Department of Environment and Water. Vinehealth contacted growers within a certain distance of prescribed burns to determine harvest status and to alert them of the proposed burn. This information was vital in ensuring that prescribed burns did not impact grape and wine quality.

Initiative 9. A new digital biosecurity platform

Vinehealth is undertaking a Digital Biosecurity Strategy and key to this strategy is the development of a geospatial and temporal data-based Digital Biosecurity Platform to replace Vinehealth's existing Vineyard Register. A business case was prepared in 2016-17.

Vinehealth is modernising its biosecurity systems to become more effective and efficient and to address the increasing availability and potential of data, the increasing complexity of compliance and to stay ahead in an environment where incursions are accelerating. It will improve systems to effectively utilise emerging opportunities from sensors, traceability, increased aerial data and modern communication to ensure that biosecurity personnel are powered by digital capability and not left behind.

A Digital Biosecurity Platform will provide the wine and grape industries the capability to carry out effective and efficient biosecurity activities across the four key biosecurity phases: preparedness, prevention, response and renewal.

Specifically it will provide effective support for:

- Incident verification and response by incorporating the vine location and type databases with time and location based data on diagnostics, crop surveillance, traceability and incident communications.
- Biosecurity preparedness through a modernised grower portal and greater access to biosecurity related communications and information.
- Incident simulation utilising a range of internal and external databases.
- Capacity for external bodies to utilise the platform for innovation in biosecurity management (in strict compliance with confidentiality requirements).

In 2017-18 Vinehealth:

• Further refined the concept detailed in the business plan through conversations with potential partners and suppliers.

- Liaised with the State Procurement Board to obtain procurement guidelines.
- Prepared a tender document with user case scenarios.
- Explored funding opportunities and submitted grant proposals. Additional work in 2018-19 will be required to secure funding for the phase 1 build.

STRATEGIC PRIORITY 4: BUILD A MATURE BUSINESS MODEL FOR VINEHEALTH AUSTRALIA

Vinehealth continues to build a sustainable business model to successfully lead the organisation into the future.

PERFORMANCE ASSESSMENT

Initiative	Performance indicators	Outcome
10. Administrative management of	Notice of Assessments distributed by mid-June.	~
contributions payable.	Debt management strategy executed.	\
11. Review of levy structure and system.	Commence review of existing levy structure.	~
12. Provision of general assistance to the grape industry.	Response to requests activated within 48 hours of receipt.	\
13. Enhanced governance across Vinehealth	Implement new financial management systems.	\
Australia operations.	Upgrade IT infrastructure to ensure stable operating platform and recovery systems in place.	\

ANALYSIS OF PERFORMANCE

Initiative 10. Administrative management of contributions payable

Pursuant to Section 23 (3) of the Act, contributions payable will be levied and collected or recovered by the Commissioner for State Taxation as if the contribution were land tax, and will be subject to the same penalties for delay or default in payment.

The Commissioner of State Taxation has delegated his powers and functions described in Section 23(3) of the Act to the Presiding Member of Vinehealth.

Management of levy payments and recovery of outstanding debts owing is a key focus for administration staff at Vinehealth from May to October. Late in the 2017-18, RevenueSA successfully commenced recovery of outstanding debts from vineyard owners. The communication of this action by RevenueSA to all vineyard owners in South Australia has also resulted in a greater recovery rate of levies for the 2017-18 period (issued in May 2018) prior to penalties being applied and their case being transferred to RevenueSA for debt collection.

Integrity of the levy system continues to be maintained through:

An independent audit of levies prior to the Notice of Assessments being raised.

- Growers being requested to review their vineyard records at the beginning of each year to ensure accuracy of information in the Vineyard Register.
- Ongoing requirement for vineyard owners to update any changes to their details in the Vineyard Register within three months of the change.
- Managing a total of 418 vineyard property transfer requests to ensure accuracy of vineyard owner details – these transfer requests reflect property ownership changes, subdivisions or consolidations.

Initiative 11. Review of levy structure and system

Income from contributions payable under the *Phylloxera and Grape Industry Act 1995* has remained static at approximately \$740,000 per year for the past decade. With rising costs of business each year, this has resulted in a diminishing pool of funds available for Vinehealth to perform its primary functions of safeguarding vineyards from pests and diseases. This is a significant issue for Vinehealth. Concurrent with this, biosecurity risks are now diverse and intensifying. There are more opportunities than ever for pests and diseases to reach Australia and establish in our vineyards.

To address these converging factors, the Board of Vinehealth has commissioned an independent review of the levy structure and administrative process to ensure that the organisation is adequately funded to perform its functions stated in the Act.

In 2017-18 work commenced on:

- Understanding the biosecurity risk creators and beneficiaries in viticulture.
- Identifying the value proposition of Vinehealth.
- Reviewing Vinehealth's current performance in delivering against its primary functions and also future performance required.
- Evaluating the effectiveness of other levy systems in biosecurity and in agriculture.

In the year ahead, this work will provide recommendations to the Board for a sustainable future levy system for Vinehealth to deliver its functions as stated in Act.

Initiative 12. Provision of assistance to the grape industry

During 2017-18, Vinehealth continued to be responsive to requests from industry within the remit of our Act. Activities related to these requests included:

- Provision of aggregated, de-identified analysis of data within the Vineyard Register to meet specific requests (all activities are in accordance with Section 13(3) of Act).
- Provision of buffer zone maps to PIRSA for fruit fly management.
- Assistance to growers, wineries and contractors to interpret state Plant Quarantine Standards, entry conditions and the completion of associated documentation.
- Managing phylloxera infected vineyards interstate and precautions to take if working between phylloxera zones.
- Provision of best practice farm-gate hygiene tools, checklists, signage and disinfestation kits.
- Discussion with individuals about virus testing and trunk disease testing and management.

Breakdown of service requests in 2017-18.

Top 4 service requests make up 72% of all requests 33% quarantine procedures or risk assessment GIS or mapping vineyard register GIS or mapping vineyard register general technical enquiries

Note: the above service requests do not include correspondence with vineyard owners regarding their account with Vinehealth and general maintenance of their details in the Vineyard Register.

Initiative 13. Enhanced governance across Vinehealth Australia operations

During 2017-18, Vinehealth implemented key activities to improve governance across the organisation:

- Evolution of financial systems:
 - A new external financial provider was secured with previous experience to conduct an integrity audit of Vinehealth's levy system.
 - Transition to new financial management software for daily operations and to produce Notice of Assessments. This system provides greater clarity, transparency and functionality.
 - Development of a bridge between Vinehealth's IT system and that used by RevenueSA to ensure effective and efficient debt management by RevenueSA.
- A reminder of the strict governance and privacy criteria around the use of the Vineyard Register was sent to all SA regional and State grape and wine industry associations this year. This was in response to repeated and incorrect suggestions that Vinehealth was restricting access to the Vineyard Register.
- An upgrade of IT infrastructure and architecture occurred to ensure a fast, stable
 and secure operating platform for the Vineyard Register, associated GIS database
 and general business operations. A new back-up and data recovery strategy was
 also implemented.

Name and date of act or regulation

Phylloxera and Grape Industry Act 1995

Section 26 - Report

- (1) The report must incorporate
 - a) The audited statement of accounts of the Board for the period to which the report relates; and
 - b) The five-year plan prepared or revised by the Board under this Act.

A copy of the audited statement of accounts and five-year plan are attached as Appendix A and Appendix B, respectively.

Section C: Reporting of public complaints as requested by the Ombudsman

Summary of complaints by subject

Vinehealth has not received any public complaints in 2017-18.

Public complaints received by Vinehealth Australia	
Category of complaints by subject	Number of instances
0	0

Data for the past five years is available by contacting the Vinehealth Australia office

Complaint outcomes

Given that Vinehealth did not receive any public complaints in 2017-18, there are no outcomes to report.

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
0	0

Appendix A: Audited financial statements 2017-18

VINEHEALTH AUSTRALIA

PHYLLOXERA & GRAPE INDUSTRY BOARD OF SOUTH AUSTRALIA

TRADING AS

"VINEHEALTH AUSTRALIA"

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

VINEHEALTH AUSTRALIA

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VINEHEALTH AUSTRALIA

Independent Auditor's Report to the Board of Vinehealth Australia

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Vinehealth Australia, which comprises the statement of financial position as at 30 April 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of financial statements.

In our opinion, the accompanying financial report of Vinehealth Australia is in accordance with the *Phylloxera and Grape Industry Act 1995*, including:

- (a) giving a true and fair view of Vinehealth Australia's financial position as at 30 April 2018 and of its financial performance for the year ended on that date;
- (b) complying with section 23 of the Public Finance and Audit Act 1987; and
- (c) complying with Australian Accounting Standards Reduced Disclosure Requirements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of Vinehealth Australia in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Board is responsible for the other information. The other information comprises the information included in Vinehealth Australia's annual report for the year ended 30 April 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board for the Financial Report

The Board of Vinehealth Australia is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Phylloxera and Grape Industry Act 1995*, section 23 of the Public Finance and Audit Act 1987 and Australian Accounting Standards (Reduced Disclosure Requirements) and for such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing Vinehealth Australia's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate Vinehealth Australia or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design
 and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate
 to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher
 than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations,
 or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Vinehealth Australia's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Vinehealth Australia's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Vinehealth Australia to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and
 whether the financial report represents the underlying transactions and events in a manner that achieves fair
 presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PERKS AUDIT PTY LTD 180 Greenhill Road Parkside

South Australia 5063

Peter J Hil Director

Registered Company Auditor

Dated this 27th day of August 2018

Certification of the Financial Statements

We certify that the attached general purpose financial statements for Vinehealth Australia:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of Vinehealth Australia; and
- present a true and fair view of the financial position of Vinehealth Australia as at 30 April
 2018 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by Vinehealth Australia for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.

Inca Pearce Chief Executive Officer

27 August 2018

Roseanne Healy Presiding Officer

27 August 2018

STATEMENT OF COMI For the year end		OME	13 31-13
To the year end	Note	2018	2017
		\$	\$
Expenses			71. 1
Employee benefits expenses	3	421,997	344,352
Supplies and services	5	423,120	316,458
Depreciation and amortisation expense	6	22,020	15,166
Other expenses	7	287,428	289,134
Total expenses		1,154,565	965,110
Income	101		
Revenues from fees and charges	8	747,692	762,277
Grants	9	260,203	180,440
Interest revenues	10	21,691	18,424
Other income		40,454	15,239
Total income		1,070,040	976,380
Net result		(84,525)	11,270
Other Comprehensive Income			
Total other comprehensive income		-	
Total comprehensive result		(84,525)	11,270
The net result and total comprehensive result a owner	re attributable to	the SA Governn	nent as

STATEMENT OF FI As at 30	NANCIAL POSIT April 2018	TON	
Đ	Note	2018 \$	2017 \$
Current assets			1 - 1
Cash and cash equivalents	11	1,190,371	1,221,766
Receivables	12	1,020,326	1,053,117
Total current assets		2,210,697	2,274,883
Non-current assets	Con.		
Plant & equipment	13	25,056	26,365
Intangible assets	14	34,956	11,464
Total non-current assets		60,012	37,829
Total assets		2,270,709	2,312,712
Current liabilities	N La Table		
Payables	15	144,888	125,867
Employee benefits	16	69,185	45,684
Total current liabilities		214,073	171,551
Non-current liabilities			1 1 1 1 1
Employee benefits	16	-	
Total non-current liabilities		-	
Total liabilities		214,073	171,551
Net Assets		2,056,636	2,141,161
Equity			
Incursion fund	17	100,000	100,000
Equity	18	1,956,636	2,041,161
Total Equity		2,056,636	2,141,161
The total equity is attributable	to the SA Gove	rnment as owne	r
Unrecognised contractual commitments	19	188,741	380,922
Contingent assets and liabilities	24	-	

OF CHANGES	IN EQUITY		
ended 30 A	pril 2018		
	Incursion fund	Equity	Total Equity
Note	\$	\$	\$
	100,000	2,029,891	2,129,891
	-	11,270	11,270
	100,000	2,041,161	2,141,161
	100,000	2,041,161	2,141,161
	-	(84,525)	(84,525)
	100,000	1,956,636	2,056,636
	ended 30 A	fund Note \$ 100,000 - 100,000 - 100,000	Incursion Equity Incursion Equity

STATEMENT OF CASH FLOWS For the year ended 30 April 2018			
	Note	2018	2017
		\$	\$
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(399,176)	(333,493)
Payments for supplies and services		(635,326)	(479,213)
Payments of grants and subsidies		(110,006)	(148,977)
Cash (used in) operations		(1,144,508)	(961,683)
Cash inflows			
Grower levies and charges		800,483	744,675
Receipts from grants		266,223	78,910
Interest received		21,691	18,424
GST recovered from the ATO		42,693	37,136
Other receipts		40,454	15,238
Cash generated from operations		1,171,544	894,383
Net cash provided by/(used in) operating activities		27,036	(67,300)
Cash flows from investing activities			
Cash outflows			
Purchase of plant and equipment and software		(58,431)	(7,400)
Cash (used in) investing activities		(58,431)	(7,400)
Net cash (used in) investing activities		(58,431)	(7,400)
Net increase/(decrease) in cash and cash equivalents		(31,395)	(74,700)
Cash and cash equivalents at the beginning of the period		1,221,766	1,296,466
Cash and cash equivalents at the end of the period	11	1,190,371	1,221,766

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2018

1. BASIS OF FINANCIAL STATEMENTS

1.1. REPORTING ENTITY

The Phylloxera & Grape Industry Board of South Australia, trading as Vinehealth Australia ("Vinehealth"), is a government entity of the State of South Australia, established pursuant to the Phylloxera and Grape Industry Act 1995.

The financial statements and accompanying notes include all the controlled activities of Vinehealth.

Vinehealth does not control any other entity and has no interests in unconsolidated structured entities.

Vinehealth has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

Vinehealth does not have any transactions and balances relating to administered resources.

1.2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with section 23 of the *Public Finance* and *Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

Vinehealth has applied Australian Accounting Standards that are applicable to not-for-profit entities, as Vinehealth is a not-for-profit entity.

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by Vinehealth for the reporting period ended 30 April 2018.

1.3. BASIS OF PREPARATION

The financial statements have been prepared based on a 12 month period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

All amounts in the financial statements and accompanying notes have been rounded to the nearest dollar.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out in the notes.

1.4. TAXATION

Vinehealth is not subject to income tax. Vinehealth is liable for fringe benefits tax and goods and services tax (GST).

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Australian Taxation Office is classified as part of operating cash flows.

2. OBJECTIVES AND ACTIVITIES

2.1. OBJECTIVES OF VINEHEALTH AUSTRALIA

Vinehealth will carry out the role and functions outlined in the *Phylloxera and Grape Industry Act 1995* to provide for the protection of vineyards from disease and to assist and support the grape industry in South Australia.

2.2. ACTIVITIES OF VINEHEALTH AUSTRALIA

Vinehealth is committed to minimising the risk of pests and diseases (in particular phylloxera) in vineyards, by investing in biosecurity training and awareness, policy and procedures, research and development priority setting, and preparedness, prevention and response activities, to the benefit of the South Australian and national wine industry.

3. EMPLOYEE BENEFITS

3.1. EMPLOYEE BENEFITS EXPENSE

	Note	2018 \$	2017 \$
Salaries and wages		351,708	293,005
Long service leave		3,729	1,572
Annual leave		18,578	9,801
Employee on-costs-superannuation*		32,576	27,835
Employee on-costs - workers compensation		1,825	1,700
Board fees		10,798	8,496
Other employee related expenses		2,783	1,943
Total employee benefits expenses		421,997	344,352

^{*}The amount charged to the Statement of Comprehensive Income represents the contributions made by Vinehealth to the superannuation plan in respect of current services of current Vinehealth staff.

3.2. REMUNERATION OF EMPLOYEES

	2018 No.	2017 No.
The number of employees whose remuneration received or receivable falls within the following bands		
\$159,001 to \$169,000	1	1

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year.

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

The total remuneration received by these employees for the year was \$ 168,873 (2017: \$167,645)

4. REMUNERATION OF BOARD

Total number of members

Members during the 2018 financial year and up to the date of signing the financial statements were:

Board o	f Directors	
Ms Roseanne Healy (Presiding Member 9 September 2016 to current)	Mr Geoff Raven	
Mr Marc Allgrove	Mr Ashley Chabrel	
Mr Nigel Blieschke	Dr Prue McMichael	
Dr Cassandra Collins	Ms Anna Hooper (resigned 29 June 2018)	
Mr Andrew Clarke		
The number of members whose remuneration received or receivable falls within the following bands:	2018	2017
\$0 - \$9 999	7	7

7

Remuneration of members reflects all costs of performing board duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$14,469 (2017: \$11,032).

In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board duties during the financial year.

There are no related party transactions for the year ended 30 April 2018 (2017: nil).

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5. SUPPLIES AND SERVICES

	2018 \$	2017 \$
Information technology expenses	55,230	42,536
Meeting expenses	9,745	11,475
Operating lease minimum payments	19,047	21,776
Consultants	25,129	26,625
Project expenses*	214,946	116,910
Heat shed expenses	6,347	10,430
Stakeholder communications and engagement	92,676	86,706
Total supplies and services	423,120	316,458

^{*}Increase in project expenses from 2017 to 2018 due to delivery of Responsible Visitation Campaign (RVC) delivered during 2018 reporting period. The RVC was principally funded through grant funding.

5.1. OPERATING LEASES

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of benefits derived from the use of leased assets.

5.2. CONSULTANTS

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	NO.	2018 \$	NO.	2017 \$
Below \$10 000	1	7,856	3	12,736
Above \$10 000	1	17,273	1	13,889
Total paid /payable to the consultants engaged		25,129		26,625

6. DEPRECIATION AND AMORTISATION EXPENSE

Depreciation and amortisation	2018 \$	2017 \$
Plant and equipment	11,404	11,871
Intangible assets	10,616	3,295
Total depreciation and amortisation	22,020	15,166

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

6.1. USEFUL LIFE

Depreciation and amortisation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)	
Plant and equipment	3 – 8 years	
Intangibles	3 years	

The useful lives of intangible assets are assessed to be either finite or indefinite. Vinehealth only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

6.2. REVISION OF ACCOUNTING ESTIMATES

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or the method, as appropriate, which is a change in accounting estimate.

During the year Vinehealth did not re-assess the useful lives of its class of assets.

7. OTHER EXPENSES

	2018 \$	2017 \$
Other expenses		
Plant and equipment write-offs	14,228	-
Office rent and amenities	51,206	51,316
Accounting and audit	39,390	84,611
PBCRC Participants Agreement – contractual commitments*	100,005	100,092
FBT and bank charges	19,148	14,050
Other	63,451	39,065
Total other expenses	287,428	289,134

^{*}Refer Note 19.1 for details of expenditure obligations required of Vinehealth Australia under PBCRC Grant Agreement for the 6 year period ending 30 June 2018.

8. REVENUES FROM FEES AND CHARGES

Fees and charges	2018 \$	2017 \$
Grower levies	742,587	751,239
Penalties	3,950	9,589
Other fees and charges	1,155	1,449
Total fees and charges	747,692	762,277

9. GRANT INCOME

	2018 \$	2017 \$
Grants	•	7
GWRDC DNA Research	25,335	-
PBCRC DNA Research	150,868	102,300
Other Grants	84,000	78,140
Total grant income	260,203	180,440
O. INTEREST REVENUE		
	2018 \$	2017 \$
Interest	21,691	18,424
Total interest revenues	21,691	18,424
1. CASH AND CASH EQUIVALENTS		
	2018 \$	2017 \$
Cash at bank	1,190,371	1,221,559
Cash on hand	-	207
Total cash and cash equivalents	1,190,371	1,221,766

12. RECEIVABLES

	2018 \$	2017 \$
Current	7	7
Receivables		
- Trade debtors	130,000	101,679
- Current year levies	742,587	751,239
 Previous years' levies and penalties not received 	110,332	168,331
Total receivables	982,919	1,021,249
Less allowance for doubtful debts	-	-
Prepayments	18,331	20,899
Accrued Income	1,666	4,277
GST input tax recoverable	17,410	6,692
Total current receivables	1,020,326	1,053,117
Expected to be recovered in more than 12 months after the reporting date		
Receivables	-	-
Less allowance for doubtful debts	_	
Total current receivables	1,020,326	1,053,117

Receivables in relation to current year levies are invoiced yearly in arrears at the end of the financial year (30 April 2018), and therefore have not been received at 30 April 2018.

At the date of signing the financial statements \$147,666 of the levies and penalties have not been received.

No provision for doubtful debts is recorded due to provisions under the *Phylloxera and Grape Industry Act 1995* stating that the fees due and payable remain a charge on the land upon which the vineyard, winery or distillery is situated until payment.

Contributions (levy) payable under the *Phylloxera and Grape Industry Act 1995* are subject to the same penalties for delay or default in payment as land tax.

Administration of land tax falls under the *Taxation Administration Act 1996*, which allows for a flat penalty tax of 75% of the unpaid tax to be imposed in the instances of the deliberate non-payment of tax, or 25% for any other situation. The *Taxation Administration Act 1996*, also allows for interest to be imposed on unpaid tax on a daily basis from the due date until the date the tax is paid.

For the purposes of levies payable under the *Phylloxera* and *Grape Industry Act* 1995, a penalty tax of 5% of the annual levy outstanding will be applied in a Final Notice, if the original Notice of Assessment is not paid by the due date. A further default on a Final Notice, will result in a 25% penalty tax of the annual levy outstanding being applied and a Demand Notice issued. Default on a Demand Notice will be referred to the Debt Management Services Branch at RevenueSA.

12.1. INTEREST RATE AND CREDIT RISK

Receivables are raised for all goods and services provided forwhich payment has not been received. Receivables are normally settled within 30 days. Prepayments and accrued revenues are non-interest bearing.

13. PLANT AND EQUIPMENT

Plant and equipment	2018 \$	2017 \$
Plant and equipment at cost	69,479	95,851
Accumulated depreciation at the end of the period	(44,423)	(69,486)
Total plant and equipment	25,056	26,365

13.1. ACQUISITION AND RECOGNITION

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at cost after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

All non-current tangible assets with a value equal to or in excess of \$5,000 are capitalised.

13.2. IMPAIRMENT

There were no indications of impairment of tangible assets at 30 April 2018.

13.3. RECONCILIATION OF PLANT AND EQUIPMENT DURING 2017-2018

	Plant and equipment \$	Total \$
Carrying amount at the beginning of the period	26,365	26,365
Acquisitions	24,447	24,447
Disposal e.g. sales, write off	(14,228)	(14,228)
Depreciation	(11,528)	(11,528)
Carrying amount at the end of the period	25,056	25,056

13.4. RECONCILIATION OF PLANT AND EQUIPMENT DURING 2016-17

Plant and equipment \$	Total \$
38,236	38,236
(11,871)	(11,871)
26,365	26,365
	\$ 38,236 (11,871)

14. INTANGIBLE ASSETS

Computer Software	2018 \$	2017 \$
Computer software at cost	50,628	16,520
Accumulated amortisation at the end of the period	(15,672)	(5,056)
Total intangible assets	34,956	11,464

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Vinehealth Australia only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10,000.

14.1. IMPAIRMENT

There were no indications of impairment of intangible assets at 30 April 2018.

14.2. RECONCILIATION OF INTANGIBLE ASSETS DURING 2017-18

	Computer Software \$	Total \$
Carrying amount at the beginning of the period	11,464	11,464
Acquisitions	33,984	33,984
Amortisation	(10,492)	(10,492)
Carrying amount at the end of the period	34,956	34,956

14.3. RECONCILIATION OF INTANGIBLE ASSETS DURING 2016-17

Computer Software \$	Total \$
7,359	7,359
7,400	7,400
(3,295)	(3,295)
11,464	11,464
	\$ 7,359 7,400 (3,295)

15. PAYABLES

	2018 \$	2017 \$
Current		
Creditors	74,399	35,490
Accrued expenses	12,504	13,618
Grants in advance	24,360	35,860
Levies in advance	9,300	24,675
Employee on-costs*	24,325	16,224
Total current payables	144,888	125,867

^{*} Employee on-costs include WorkCover levies and superannuation contributions.

Vinehealth makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to a superannuation fund.

15.1. INTEREST RATE AND CREDIT RISK

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received. Employment on-costs are settled when the respective employee benefits that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

16. EMPLOYEE BENEFITS LIABILITY

Current	2018 \$	2017 \$
Accrued salaries and wages	7,814	7,134
Annual leave	47,431	28,339
Long service leave	13,940	10,211
Total current employee benefits	69,185	45,684
Non-current		
Long service leave	-	<u> </u>
Total non-current employee benefits	-	-
Total employee benefits	69,185	45,684

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

16.1. LONG SERVICE LEAVE

Employee entitlements relating to long service leave are calculated and provided for as per the Long Service Leave Act 1987. In summary, employees are entitled to 13 weeks long service leave after the completion of 10 continuous years service, we highlight a pro-rata payment is payable on termination after 7 years of continuous service. Management have agreed upon the accounting policy in respect to long service leave being to record the full entitlement (including on-costs) upon each employee satisfying the requirement of 5 years continuous service. This is an acceptable 'short-hand' method under AASB 119 Employee Benefits.

17. INCURSION FUND

	2018 \$ 100,000	2017 \$
		100,000
Total incursion fund	100,000	100,000

Vinehealth Australia has a Joint Statement of Intention with the Minister for Primary Industries and Regional Development regarding the management of a response to an outbreak of phylloxera or other significant exotic pests and diseases that are a biosecurity risk in South Australia. To fulfil its responsibilities under this statement, Vinehealth has set aside \$100,000 to support communications, administration and technical activities consistent with the functions described under the *Phylloxera and Grape Industry Act 1995*, during the initial stages of an outbreak.

18. EQUITY

	2018 \$ 1,956,636	2017 \$
		2,041,161
Total equity	1,956,636	2,041,161

The Board has highlighted the purpose of maintaining equity is to cover:

- 12 months operation in reserve;
- Budgeted expenditure for remainder of financial year;
- Contractual commitments for the life of existing contracts; and
- All provisions contained in the balance sheet 2018-19.

19. UNRECOGNISED CONTRACTUAL COMMITMENTS

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Unrecognised contractual commitments are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office. If GST is not payable to, or recoverable from, the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

19.1. EXPENDITURE COMMITMENTS

	2018 \$	2017 \$
Within one year	16,667	100,000
Later than one year but not longer than five years	-	16,667
Later than five years	-	-
Total other commitments	16,667	116,667

Vinehealth's expenditure commitments relate to obligations required of Vinehealth Australia under PBCRC Grant Agreement for the 6 year period ending 30 June 2018.

19.2. Operating lease commitments

	2018 \$	2017 \$
Operating lease commitments	•	•
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	61,542	71,705
Later than one year but not longer than five years	110,532	192,550
Later than five years	-	-
Total operating lease commitments	172,074	264,255
Representing:		
Cancellable operating leases	-	-
Non-cancellable operating leases	172,074	264,255
Total operating lease commitments	172,074	264,255

Vinehealth's operating leases are for office accommodation and motor vehicles. Office accommodation is leased from Wine Australia – the lease commenced 1 February 2015, including two rights of renewal for five years each from 30 March 2016. The leases are non-cancellable with terms ranging up to five years with some leases having the right of renewal. Rent is payable in advance.

20. AUDIT AND RISK COMITTEE

Given the current categorisation by the State Government of the Board of Vinehealth Australia under the Department of Premier and Cabinet's Boards and Committees Remuneration Framework, Board members are not to be remunerated for time on committees of the Board. Consequently, on 12 December 2016, the Board of Vinehealth Australia agreed to disband the Risk & Audit Committee and absorb the responsibilities and activities of this committee into general board meetings.

21. BUDGETARY REPORTING AND EXPLANATIONS OF MAJOR VARIANCES BETWEEN BUDGET AND ACTUAL AMOUNTS

Vinehealth does not have an obligation to provide Parliament with an annual budget and therefore the Board have adopted to not include a budget versus actual analysis for inclusion within this financial report. Management and the Board undertake appropriate monitoring of actual results against budget on a monthly basis.

22. FINANCIAL RISK MANAGEMENT/ FINANCIAL INSTRUMENTS

22.1. FINANCIAL RISK MANAGEMENT

Risk management is managed by Vinehealth's Board. Departmental risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

Vinehealth's exposure to financial risk (liquidity risk and market risk) is low due to the nature of the financial instruments held.

22.2. CATEGORISATION OF FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset/liability note.

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Loans and receivables
- Financial liabilities measured at cost

Category of financial asset and financial liability	Notes	2018 Carrying amount / Fair value (\$)	2017 Carrying amount / Fair value (\$)
Financial assets			
Cash and cash equivalents	11	1,190,371	1,221,766
Loans and receivables			
- Receivables	12	1,020,326	1,053,117
Total financial assets		2,210,697	2,274,883
Financial liabilities			
Financial liabilities at cost			
- Payables	15	144,888	125,867
Total financial liabilities		144,888	125,867

23. EVENTS AFTER THE REPORTING PERIOD

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 April and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 April.

Note disclosure is made about events between 30 April and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 April and which may have a material impact on the results of subsequent years.

At the date of signing, the Board is of the opinion that there are no events requiring adjustment and / or disclosing in the financial statements of Vinehealth Australia.

24. CONTINGENT ASSETS AND LIABILITIES

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office. If GST is not payable to, or recoverable from, the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

At the date of signing these financial statements, the Board is not aware of any contingent assets or contingent liabilities of Vinehealth Australia.

Appendix B: Five year strategic plan











Vinehealth Australia has been committed to protecting South Australian vineyards from pests since its inception in 1899. This long dedication to biosecurity by South Australian grapegrowers and industry leaders is a shining light of industry collaboration.

Vinehealth Australia's core aim is to safeguard the health of vines in South Australia to ensure the wine and grape industries are profitable and productive into the future.

But protecting vineyards against pests including phylloxera has never been more challenging. Increased global trade and tourism, agricultural expansion and intensification, urbanisation and climate change are increasing our biosecurity exposure.

Phylloxera is being detected in more vineyards in Victoria. And Australia has experienced a doubling in the number of exotic plant pest incursions in the past seven years.

While Vinehealth Australia is a South Australian statutory authority, the interconnectedness of the grape and wine industries demands we work collaboratively across Australia. Pests do not respect state borders. As an organisation, Vinehealth Australia must collaborate with interstate government and industry counterparts to minimise exotic and high priority endemic biosecurity risks to South Australian growers and the industry.

Effective biosecurity demands cooperation, investment and actions by government, industry bodies, exporters, importers, grape and wine businesses, nurseries, suppliers, tourists and the broader community. It is built on the principle of shared responsibility where everyone takes ownership of biosecurity matters under their control.

This Vinehealth Australia Strategic Plan: Towards 2020 sets out four clear strategic imperatives to address the biosecurity challenges that we face. For each strategic imperative we have developed a number of objectives and for each of these we have defined what success looks like.

GOALS OF THIS PLAN:

 Phylloxera is contained within the existing Phylloxera Infested Zones (PIZ) in Australia. 2. Exotic pests are prevented from entering vineyards in Australia.

risk and impact.

- 3. In the event of an exotic or declared endemic pest incursion in a vineyard, the pest is eradicated or contained and the impact on grape and wine assets minimised.
- 4. Effective management of high priority endemic pests of vineyards.
- 5. A rigorous biosecurity system which enables market access, export growth, inbound tourism and protects the value of vineyards.

This plan aligns with state and national biosecurity strategies and plans, including 'Priorities for Australia's biosecurity system: an independent review of the capacity of the national biosecurity system and its underpinning intergovernmental agreement', Wine Australia's Strategic Plan 2015-2020, the Australian Academy of Science's 'Grow. Make. Prosper. The decadal plan for Australian Agricultural Sciences (2017-26)' and South Australia's key economic priorities, including 'Premium food and wine produced in our clean environment and exported to the world'.



From the Chair

am pleased to launch this new am pleased to lacine.
strategic vision for Vinehealth Australia. This is an important plan to respond to increasing global biosecurity pressures, many of which are being driven by circumstances beyond the control of grapegrowers.

It's a plan that clearly identifies the need for clarifying the roles and responsibilities of biosecurity management, both within the wine and grape industries and generally within the Australian landscape.

This is a bold plan that sets a clear path for biosecurity activities. Importantly, it aims to shift the dynamic for biosecurity being viewed only as insurance against risk, to being an enabler for success.

A robust biosecurity system will offer an authentic value proposition for Australian grapes and wine produced from a clean, green environment. This will assist with enabling market access, export growth, inbound tourism and protecting the value of vineyards.

Under this strategic plan, Vinehealth Australia will be an integral part of the national biosecurity landscape and its systems. We will manage and respond to pest threats by participating in national and state policy development, education, awareness, surveillance, research and development priority setting and emergency response activities.

This plan also underlines our ongoing commitment to delivering outstanding value to growers and the broader wine industry, with a sharp eye on phylloxera and other key pest threats to our vines.

One of our strategies is to ensure we have a motivated, agile and talented team at Vinehealth Australia - one that understands and is driven to meet industry needs and continuously improve all they do.

The recent appointments of skilled, dedicated and passionate staff demonstrate we are well on our way to achieving this goal.

Roseanne Healy Chair, Vinehealth Australia

Biosecurity

Plant biosecurity is a set of measures which protect the economy, environment and community from the negative impacts of plant pests. A fully functional and effective biosecurity system is a vital part of the future profitability, productivity and sustainability of Australia's plant production industries and is necessary to preserve the Australian environment and way of life.1

Pests include insects, mites, snails, nematodes, pathogens (diseases) and weeds that are injurious to vines and grapes. Exotic pests are those not currently present in Australia. Established or endemic pests are those currently present within Australia.1

Declared/High Priority **Declared** endemic pests are regulated under state plant health legislation, e.g., phylloxera. **High Priority** endemic pests cause significant economic loss, e.g., eutypa.

Emergency Plant Pest Response Deed (EPPRD)

The EPPRD is a formal legally binding agreement between Plant Health Australia, the Australian Government, all state and territory governments and national plant industry body signatories. It covers the management and funding of responses to emergency plant pest incidents, including the potential for owner reimbursement costs for growers. It also formalises the role of plant industries' participation in decision making, as well as their contribution towards the costs related to approved responses.¹

A Visionary Legacy

South Australian vineyard owners have much to thank the pioneering wine families of the 1800s for, including their vision to establish quarantine systems to prevent phylloxera entering South Australia.

The tiny insect caused incalculable damage to the American and European wine industries in the late 19th century. In the face of the growing phylloxera threat, South Australian wine industry leaders persuaded the State Government to establish the Vine Protection Act 1874, prohibiting importation of vine material from countries and Australian states infested with phylloxera.

The *Phylloxera Act 1899*, established the Phylloxera and Grape Industry Board of South Australia, a statutory authority dedicated to the protection of vineyards from phylloxera infestation. The Phylloxera Board – now Vinehealth Australia - has provided 118 years of continuous service.

This long dedication to biosecurity by South Australian grapegrowers and industry leaders is a shining light of industry collaboration.

Every vineyard owner in South Australia (approximately 3,360) makes

an annual contribution of \$9.50 per hectare (minimum of \$50) to enable Vinehealth Australia to perform its functions under the Phylloxera and Grape Industry Act 1995 (Act).

Through Vinehealth Australia, South Australian vineyard owners invest in biosecurity training and awareness, policy and procedures, research and development priority setting, and preparedness, prevention and response activities, to the benefit of the state and national wine industry.

The name change of the organisation to Vinehealth Australia in 2015 was recognition of the increasingly complex and rapidly evolving biosecurity landscape. Vinehealth Australia cannot fulfil its mandate of protecting South Australian vineyards from pests without working collaboratively with other states and territories across Australia.

Vinehealth Australia's stability through industry funding and leadership, and its proud history and 'ownership' by industry, ensures that it will continue to provide an important focus on vine health, biosecurity and awareness of threats to the Australian wine industry, which contributes \$40.2 billion in gross output to the Australian economy.

Governance

The Board of Vinehealth Australia is chaired by an industry leader and has six other industry members, a viticultural expert and is complemented with the ex officio appointment of the SA Chief Plant Health Inspector to ensure close collaboration with Biosecurity SA.

The Phylloxera and Grape Industry Act 1995 provides Vinehealth Australia with the charter to address all biosecurity threats, in addition to phylloxera, faced by the wine and grape industries. Industry funding arrangements have remained unchanged since 1996.







Rising Biosecurity Threats

ncursions of exotic and declared endemic pests in Australia are increasing. Between 2010 and 2016, 14 exotic plant pest incursions were recorded in Australia: two were eradicated, four are being managed by jurisdictions and eight are under eradication programs.

By comparison, in the previous period (2003 to 2009) seven exotic plant pest incursions across Australia were recorded. This represents a doubling

in the number of exotic plant pest incursions nationally. 2

The following recent examples of exotic and declared endemic pest incursions in the past 12 months across various agriculture sectors highlight the pressure on our national biosecurity system.

• Detections of Russian wheat aphid, initially identified in South Australia and then confirmed in other locations across Australia (June 2016).

- · Detections of the virus causing White spot disease in prawns in Queensland (December 2016).
- Detections of Tomato potato psyllid in Western Australia in February 2017.
- New detections of phylloxera in the Yarra Valley resulting in the extension of the existing Maroondah PIZ boundary (March and July 2017).

The biosecurity landscape is becoming more complex, driven by increased global trade and tourism, agricultural expansion and intensification, urbanisation and climate change.

The modern biosecurity landscape is also characterised by changing government and industry priorities, increased scrutiny from trading partners during market access negotiations with the need to substantiate area freedom status, and an increasing desire from authorities

for individual growers to help manage their own biosecurity risks.2

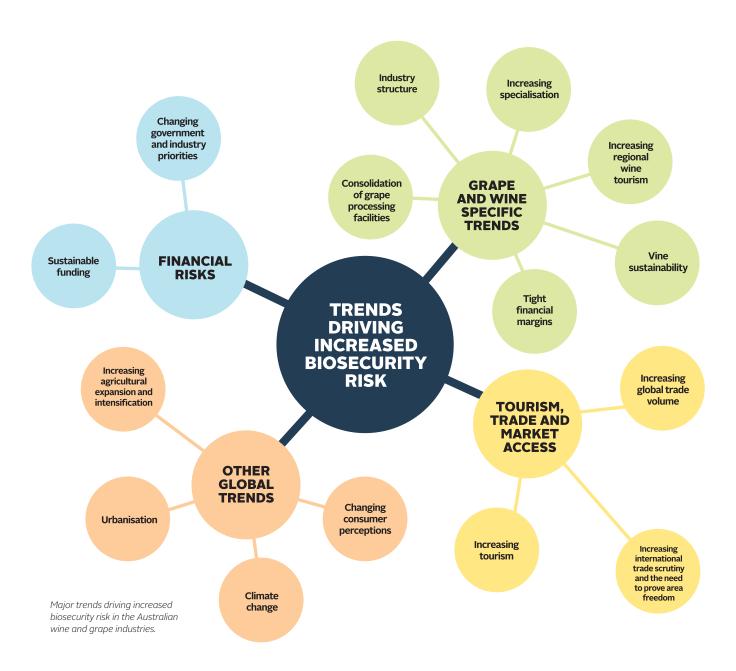
GRAPE AND WINE PRESSURES

The Australian wine and grape industries face unique issues of their own that are impacting biosecurity risk.

These include:

• Increased consolidation, with regional grape processing being replaced by 'super' processing facilities that import higher volumes of grapes across regional and state boundaries.

- Increased international ownership of Australian wineries and vineyards, adding complexity to the system.
- Increased specialisation, with more contract vineyard management, pruning and harvesting, raising the risk of cross-regional and crossvineyard contamination.
- Increased wine-tourism and improved transportation corridors.
- The rising importance of 'old vines' in the marketing of regional wines and the need for younger vines to age.
- Ongoing tight margins for grapegrowers.





State of Play

he viticulture landscape is broad, with multiple end uses for grapes: wine, table grapes and dried fruit. The wine industry is the biggest and most complex end user. The nursery and vine improvement sector are an important supplier to this viticulture landscape.

VITICULTURE INDUSTRY SNAPSHOT

- Australian wine industry (2015-16)³
 - 6,251 growers and 2,468 wineries across Australia
 - 132,393 hectares of vineyards and 1.8 million tonnes harvested - producing 1.3 billion litres of wine
 - Domestic sales value of \$2.98 billion and export sales value of \$2.11 billion
 - 172,736 total employment (direct and indirect)
 - Contributes \$40.2 billion to the value of gross output to the

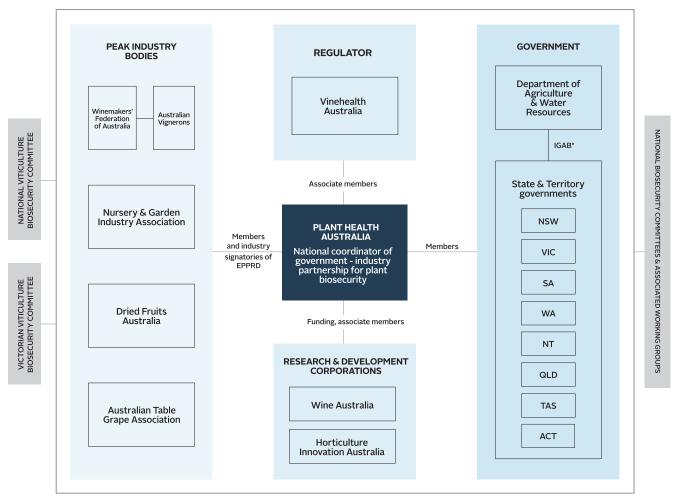
- Australian economy
- The South Australian wine industry has 57% of the national vineyard area planted to winegrapes, with 3,360 growers. It is worth \$2.11 billion to the state's economy, with exports of 490 million litres worth \$1.3 billion.
- Australian table grape industry (2015-16)4
 - 178,595 tonnes top four states by production are Victoria 71%, New South Wales 13%, Queensland 7% and South Australia 4%
 - Estimated 25,000 hectares of vineyards
 - Farm gate value \$514.5 million
 - Estimated 1,000 growers across Australia
 - 62% of production (110,007 tonnes) valued at \$367 million is exported

- 38% of production (68,588 tonnes) for the domestic market.
- Australian dried grape industry (2015-16)4
 - 52,312 tonnes of fresh grapes produced for drying, resulting in 18,309 tonnes of dried grapes
 - Top three states by production are Victoria 90%, New South Wales 7% and South Australia 2%
 - Farm gate value \$33 million
 - 27% of production (5,000 tonnes) valued at \$19.4 million is exported
 - 73% of production (13,309 tonnes) for the domestic market - this is supplemented by 20,000 tonnes of imported dried grapes

Across these three end uses, South Australia has 75,732 hectares under vine, predominately for wine grapes.

VITICULTURE BIOSECURITY SYSTEM MANAGEMENT

Australia's plant biosecurity system operates under the control of Commonwealth and state legislation, with state and territory governments responsible for biosecurity services within their respective borders. Plant Health Australia is the coordinator of the government-industry partnership for plant biosecurity. Membership of Plant Health Australia by system participants, together with the national biosecurity committee framework, ensures a nationally coordinated approach to biosecurity management. 1



Representatives from organisations shaded in blue sit on these committees. *IGAB = Intergovernmental Agreement on Biosecurity (excludes TAS)

Architecture of organisations responsible for viticulture biosecurity management.

OUR ROLES AND RESPONSIBILITIES

Vinehealth Australia is responsible to the South Australian Parliament through the Minister for Agriculture, Food and Fisheries. The Phylloxera and Grape Industry Act 1995 provides the legislative foundation for Vinehealth Australia, detailing the governance, powers, functions and obligations for the organisation.

The overriding purpose of the Act is to provide for the protection of vineyards from disease and to assist and support the grape industry in South Australia. In the Act disease means, (a) any bacterium, fungus, insect, mite or other arthropod, protozoan, virus or other organism or pathogen; or (b) any other condition, that may affect vines.

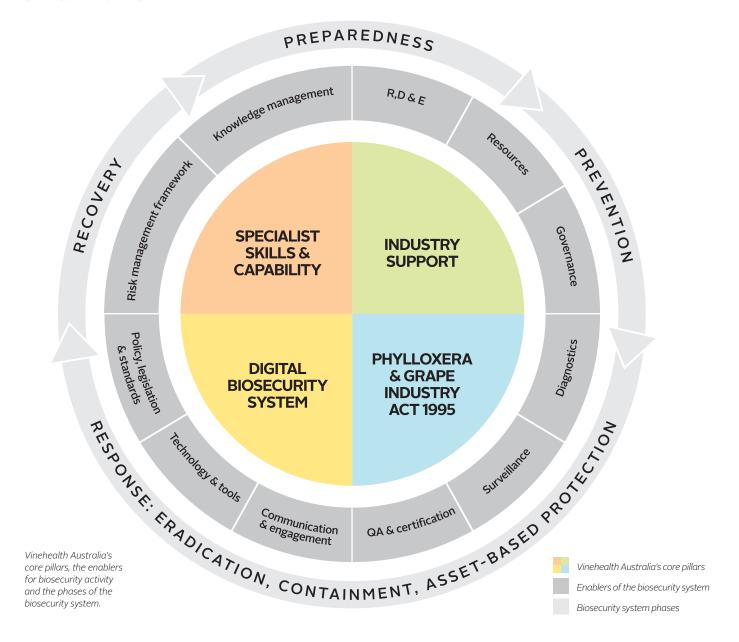
Vinehealth Australia Primary Functions

Vinehealth Australia carries out activities in 11 key areas which enable informed actions across the four phases of biosecurity; preparedness,

prevention, response and recovery (refer diagram on page 12).

The primary functions of Vinehealth Australia are to identify the relative threat to the state's vineyards posed by phylloxera and other diseases, and assess the risk of spreading diseases through the movement of machinery, equipment, vines and other vectors into and within the state.

Vinehealth Australia develops policies in relation to the appropriate movement of machinery, equipment, vines and



other vectors into and within the state to prevent the spread of disease; the quarantine of vines that are or may be affected by disease; and appropriate measures for the control of outbreaks of disease in the state.

Vinehealth Australia also develops plans for the eradication of diseases in the state's vineyards, and supports and encourages the conduct and evaluation of research into diseases including their control and management.

Raising awareness of pests and diseases is also an important part of Vinehealth Australia's charter.

Vinehealth Australia prepares and disseminates information on pests,

diseases and work practices that minimise the risk of disease, or its spread, to people involved in grape growing or winemaking.

Vinehealth Australia is also responsible for working with nurseries (whether within or outside the state) to ensure that propagative material is free of specified diseases.

Vinehealth Australia also provides a key advisory and implementer role to Biosecurity SA for all matters under the EPPRD that impact grapevines or wine and grape industry participants.

And perhaps most importantly, Vinehealth Australia is responsible for maintaining a Register of all

vineyards of 0.5 hectares or more of planted vines.

In addition to its primary functions, Vinehealth Australia fulfils other key biosecurity activities in South Australia and across Australia as outlined in the diagram on page 13.

FUNDING

- Vinehealth Australia maintains a register of vineyard owners in South Australia with 0.5 hectares or more of planted vines.
- In line with the interconnectedness of the industry, Vinehealth Australia sees benefit in creating a national register of vineyards.
- South Australian vineyard owners

ACTIVITIES IN SOUTH AUSTRALIA

ACTIVITIES ACROSS AUSTRALIA

1

Primary functions

- Defined as those under section 13 (1) of the *Phylloxera* and *Grape Industry Act* 1995
- Contributions used to defray expenses

3

Biosecurity specialist for the Australian wine and grape industries

- Contributions collected under the Phylloxera and Grape Industry Act 1995 are used to defray expenses only when activity aligns with primary functions of Vinehealth Australia, and to a level determined by the Board of Vinehealth Australia
- Funding arrangements with other stakeholders are established to support this specialist capability across Australia

2

Assist and support the grape industry

- Defined as activities under section 13 (2) of the Phylloxera and Grape Industry Act 1995
- Contributions are not used to defray expenses

4

Biosecurity and allied services

- User-pays activities (e.g risk assessments, GIS capabilities)
- Confidential customer relationship with contractual arrangements
- Such activities to (1) not detract from ability to perform activities specified in boxes 1, 2 and 3, (2) have strategic currency, and (3) strengthen capabilities required to perform activities detailed in boxes 1, 2 and 3

Vinehealth Australia's state and national activities.

are required to pay an annual contribution to Vinehealth Australia of \$9.50 per hectare (minimum \$50).

- Current contributions raise approximately \$740,000 per year.
- These contributions are used to enable Vinehealth Australia to perform its primary functions (as set out above).
- Activities performed outside of these primary functions are not funded by contributions and must have alternate funding or a user-pays structure (refer diagram above).

OUR NATIONAL REACH

The interconnectedness of the wine and grape industries demands we work collaboratively across Australia.

South Australia has 57% of the total hectares of vineyards planted to winegrapes in Australia. Importantly, individuals and businesses that own vineyards in South Australia also own or manage many hectares of vineyards interstate and purchase and/or process a significant number of tonnes of grapes from interstate vineyards.

Therefore, through registered vineyard owners in South Australia, Vinehealth Australia's reach and influence extends across Australia.

Pests do not respect state borders. As an organisation, Vinehealth Australia must work alongside and collaborate with interstate government and industry counterparts to minimise exotic and high priority endemic biosecurity risks to South Australian growers and the industry.

OUR NETWORK

Effective biosecurity demands cooperation, investment and actions by government, industry bodies, exporters, importers, grape and wine businesses, nurseries, suppliers, tourists and the broader community. It is built on the principle of shared responsibility where everyone takes ownership of biosecurity matters under their control. ²

The success of our activities relies on the collaborative networks we develop with:

- Vineyard owners and wineries
- Suppliers to the wine and grape industries
- Wine Grape Council of South Australia and South Australian Wine Industry Association
- Primary Industries and Regions South Australia – BiosecuritySA
- Wine Australia
- Australian Vignerons and Winemakers' Federation of Australia
- Australian Table Grape Association, Dried Fruits Australia and Nursery & Garden Industry Australia and their respective state chapters
- State and regional wine industry associations
- State government regulators
- Research providers (AWRI, CSIRO, universities, state government departments)
- Community
- Department of Agriculture and Water Resources
- Plant Health Australia
- Vine Industry Nursery Association and vine improvement organisations



Strategic Plan

his Vinehealth Australia Strategic Plan: Towards 2020 outlines our role and contribution to the South Australian and national biosecurity system.

Vinehealth Australia's core aim is to safeguard the health of vines in South Australia to ensure the wine and grape industries are profitable and productive into the future.

What has informed this refresh of our strategic plan?

- Ongoing and regular discussions with growers, wineries, grape and wine industry representative bodies, Wine Australia, federal and state governments and Plant Health Australia.
- The changing biosecurity landscape.
- Responses from our grower survey conducted in 2015.
- Information sourced through workshops and discussions regarding the value proposition for the new digital biosecurity platform (Nov/Dec 2016).

This plan sets out four clear strategic imperatives to address the biosecurity challenges that we face. For each strategic imperative we have developed a number of objectives and for each of these we have defined what success looks like.

Each year an annual operational plan will be developed which further breaks down each objective to identify actions that Vinehealth Australia will perform in that year to contribute to achieving the objective and realising success.

GOALS

- 1. Phylloxera is contained within the existing Phylloxera Infested Zones (PIZ) in Australia.
- 2. Exotic pests are prevented from entering vineyards in Australia.
- 3. In the event of an exotic or declared endemic pest incursion in a vineyard, the pest is eradicated or contained and the impact on grape and wine assets minimised.
- 4. Effective management of high priority endemic pests of vineyards.
- 5. A rigorous biosecurity system which enables market access, export growth, inbound tourism and protects the value of vineyards.

This is an ambitious plan. It sets a clear path for biosecurity activities. Importantly, it will shift the dynamic for biosecurity being viewed only as insurance against risk, to being an enabler for success.

This plan aligns with state and national biosecurity strategies and plans, including 'Priorities for Australia's biosecurity system: an independent review of the capacity of the national biosecurity system and its underpinning intergovernmental agreement', Wine Australia's Strategic Plan 2015-2020, the Australian Academy of Science's 'Grow. Make. Prosper. The decadal plan for Australian Agricultural Sciences (2017-26)' and South Australia's key economic priorities, including 'Premium food and wine produced in our clean environment and exported to the world'.

Vinehealth Australia: Towards 2020

Aspiration

Biosecurity is a top priority in the wine and grape industries.

The grape and wine biosecurity specialist.

Purpose

To drive biosecurity for the wine and grape industries.

Motivation

To protect grape and wine assets from biosecurity risk and impact.

VALUES

Knowledge

As an evidence-based biosecurity organisation, we are driven by the pursuit of new knowledge. We are recognised as authorities nationally and globally.

Collaboration

We work in partnership with growers, producers and stakeholders. Our collaborative approach ensures we protect and deliver maximum value to our industry.

Independence

We are a statutory authority. Our governance arrangements are founded on our independence and integrity.

Action

We are a proactive and agile organisation that is at the forefront of biosecurity and industry knowledge. Our customers are informed and empowered by our actions.

Strengthen the wine and grape industries' capacity and capability to prepare for, prevent and respond to pest incursions.

Objective	Success defined
Ensure a strong 'Industry Biosecurity Plan for the Viticulture Industry', supported by a practical implementation plan with accountability to industry.	 Enhanced ability of industry and government to prepare for, prevent or minimise the impact of an incursion. Ongoing assessment of biosecurity capacity and capability requirements. Clear roles and responsibilities for system participants resulting in focussed action. Customised holistic management plans developed for high priority exotics and phylloxera. Market access and Australia's premium, clean green image preserved.
Facilitate the development and implementation of a prioritised biosecurity research and development plan.	 Investment directed to high priority needs. A 'living' plan ensuring agility and rapid response to emerging threats. Scientific results available, translated into practical solutions and extended to industry. Increased expert biosecurity research capacity and succession planning implemented. Cross-sectoral investment in biosecurity research and development leveraged to the wine and grape industries' advantage.
A national biosecurity education and awareness program customised for target audiences across industry, government and the community.	 Increased number of growers and contract service providers implementing farm-gate hygiene practices. Improved compliance with state and territory biosecurity legislation and supporting plant quarantine regulations. Growers and wineries are advocates for biosecurity excellence and integrate biosecurity practices into daily operations. Increased understanding of motivators to change behaviour of growers, wineries and other stakeholders to participate and act to protect vine health. Tailored biosecurity strategies for high risk wine industry roles. Improved community awareness and action to protect vine health.
Embed a risk analysis framework to guide decision making and investment on pest priorities, preparedness and prevention activities, and response management options.	 The principles of risk assessment, risk management and risk communication are the foundation of all biosecurity dialogue. The 'perception' of risk by system participants is appropriately managed. Priority pests identified using agreed criteria and processes in conjunction with Plant Health Australia.
Establish an improved emergency response framework and incident reporting mechanism for exotic and declared endemic pests.	 Response plans for each priority exotic and declared endemic pest developed and implemented. Greater industry influence through EPPRD process with a core group of trained industry professionals. Improved communications of exotic and declared endemic pest incursions and their management (as appropriate). Exotic and declared endemic pest incursions managed effectively and efficiently.

Ensure cohesion and commitment to effective and efficient biosecurity management by system participants.

Objective	Success defined
Establish and promote a framework for collective biosecurity investment and action by wine and grape industry system participants.	 A coordinated multi-agency system, focussed on building expertise and delivery against strategy. Investment leveraged to deliver outstanding value for industry. Sustainable funding mechanisms in place to support execution of the 'Industry Biosecurity Plan for the Viticulture Industry', R&D, governance, preparedness, prevention and response activities and other biosecurity system requirements.
Secure arrangements with state and territory governments to support wine and grape industry biosecurity imperatives.	 An established mechanism to work collaboratively with federal, state and territory governments as to wine and grape (wine grape, table grape, nursery and dried fruit sectors) industry biosecurity requirements. Arrangements put in place with state and territory governments defining roles and responsibilities, collaborative activities, communication (including reporting) and investment.
Strengthen the application of biosecurity/quarantine legislation and regulations to prevent, eradicate and contain pest incursions.	 National Phylloxera Management Protocols reviewed with updates reflected in state and territory biosecurity legislation and regulations. Monitoring of the integrity and effectiveness of regulations and consequences of non-compliance. End-to-end improvement of accreditation programs currently integrated in regulations, with resulting improvement in compliance and mitigation of risks.
Conduct strategic pest incursion simulations to embed biosecurity in business continuity plans of grape and wine enterprises.	 Outbreak plans capture principles for action in the event of a pest incursion. Information generated informs South Australia's emergency response plan for phylloxera. States, regions and individual grape and wine enterprises recognise and include biosecurity as a key risk in business continuity plans.

Provide information, insights and intelligence to drive biosecurity decision making and investment.

Objective	Success defined
Develop a new digital biosecurity platform to unlock the power of information in the existing Vineyard Register and integrate technological advances.	 A powerful data portal that effectively manages incursions, significantly improves communication, creates models and simulations, facilitates biosecurity research, accesses other databases to consolidate data, and enables community engagement. Data and information generated enabling a proactive and adaptive ability to prepare for, prevent and respond to an incursion. Interoperability with other key biosecurity, government and wine industry IT platforms to optimise data capture, sharing and value delivered. Leadership in applying GIS knowledge and adoption.
Create strategic alliances and partnerships to develop a knowledge network and capability to extend biosecurity information.	 Accessibility to experts to support biosecurity actions and outcomes. Science translated into practical solutions that are adopted by industry, governments and the community.
Ensure diagnostic capability and surge capacity is developed and maintained for priority exotic pests, declared endemic pests and for high priority endemic pests.	 Ability to enact surveillance programs. Rapid deployment during an exotic or declared pest incursion. Confidence in diagnostic results during surveillance activities pre, during or post an incursion.
Ensure active and passive surveillance programs for exotic and declared endemic pests and for high priority endemic pests.	 Coordinated approach to phylloxera surveillance, supported by updated methods detailed in the National Phylloxera Management Protocols. Coordinated surveillance activities for pests that impact multiple sectors. Establishment and maintenance of area freedom status for specific pests to support domestic and international market access. Endorsement of all primary detection methods for phylloxera. Improved capture of passive surveillance data by vineyard owners, managers and staff and other system participants.
Explore and develop innovative technologies and applications to enable improved biosecurity management.	 Improved use of technology to detect pests and manage incursions. Technology and tools helping vineyard owners, managers and staff to implement farm-gate hygiene practices. Capability to track movement of material and vectors through the supply chain.
Routinely assess and report on the maturity of South Australia's and the national biosecurity system to protect grapevines.	 Weaknesses identified and addressed, and opportunities exploited to build a stronger biosecurity system. Improved accountability of system participants. Focussed investment.

Build a mature business model for Vinehealth Australia.

Objective	Success defined
Enhance governance across all activities performed by Vinehealth Australia.	 An effective and empowered organisation with transparent processes, which is responsive and accountable to industry and the Minister. A motivated, agile and talented Vinehealth Australia team driven to meet industry needs and continuously improve all that they do.
Review contribution structure and processes under the <i>Phylloxera and Grape Industry Act 1995</i> to optimise value to industry.	 Vinehealth Australia has the capacity and capability to protect South Australia's vineyards from pests. A productive, profitable and sustainable SA and Australian wine industry. Biosecurity action valued by those who pay contributions.
Ensure effective delivery of primary and regulatory functions under the <i>Phylloxera</i> and <i>Grape Industry Act</i> 1995.	 South Australia's vineyards are protected from pests. Improved engagement of system participants in protecting vineyards and wine industry from biosecurity risk. A strong and effective connection with Primary Industries and Regions South Australia.
Build the nature and scope of regulatory and quality assurance functions performed by Vinehealth Australia.	 Accreditation schemes valued by growers, wineries and nurseries, and support national and state quarantine/biosecurity regulations. Targeted 'biosecurity endorsement' programs for suppliers to the industry to assist decision making by growers and wineries.
Improve understanding of the impact of a biosecurity incursion and the return on investment of Vinehealth Australia's activities to mitigate against such impact.	 Continued support of and investment in Vinehealth Australia's capacity and capabilities by system participants to enable productive, profitable and sustainable grape and wine businesses. Improved engagement by system participants in biosecurity and a network of regional biosecurity advocates.
Develop a 'user-pays' framework for activities that complement Vinehealth Australia's primary functions.	 Improved understanding by those who pay contributions as to what services this provides and what activities are undertaken by Vinehealth Australia on a user-pays basis. Biosecurity expertise accessible to system participants under user-pays arrangements, which contributes to improving overall industry biosecurity outcomes.



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