



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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Date presented to Minister: 28 September 2018

To:

Hon. Tim Whetstone (MP)

Minister for Primary Industries and Regional Development

This annual report is to be presented to Parliament to meet the statutory reporting requirements of the *Phylloxera and Grape Industry Act 1995 and Public Sector Act 2009* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Phylloxera and Grape Industry Board of South Australia
(t/a Vinehealth Australia) by:

Inca Pearce

CEO



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.

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
<p>1. Strengthen the wine industry’s capacity and capability to prepare for, prevent and respond to pest incursions.</p>	<p>A successful wine industry creates jobs and business opportunities for South Australians.</p> <p>A strong wine industry creates career opportunities for young South Australians.</p> <p>A strong South Australian wine industry is an attractive investment option for others.</p>
<p>2. Ensure cohesion and commitment to effective and efficient biosecurity management by system participants.</p>	<p>A strong South Australian biosecurity industry requires passionate and skilled participants. This provides career opportunities and investment options for suitable businesses.</p>
<p>3. Provide information, insights and intelligence to drive biosecurity decision-making and investment.</p>	<p>A strong South Australian biosecurity industry provides career opportunities and investment options.</p> <p>Our planned Digital Biosecurity Platform will deliver new technology and investment opportunities for the Australian grape and wine industries.</p> <p>A successful wine industry creates jobs and business opportunities for South Australians.</p> <p>A strong wine industry creates career opportunities for young South Australians.</p>
<p>4. Build a mature business model for Vinehealth Australia.</p>	<p>A successful wine industry creates jobs and business opportunities for South Australians.</p> <p>A strong wine industry creates career opportunities for young South Australians.</p> <p>A strong South Australian wine industry is an attractive investment option for others.</p> <p>Less government regulation encourages wine business investment and growth.</p>

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.	<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> • 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 direct 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 re-elected 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)	<p>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.</p> <p>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.</p> <p>The Board reviewed the performance of the CEO at the beginning of 2017-18.</p> <p>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.</p>
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
<p>During the 2017-18 reporting period, all Work Health and Safety policies were maintained. They include:</p> <ul style="list-style-type: none"> • Work Health and Safety policy • Emergency Plan • Office Security Policy • Working Alone on Premises Policy (outside of normal office hours) • Remote Work – Field Work Policy • Travelling for Work Policy (by motor vehicle or other means) • Bullying and Harassment Policy • Incident Reporting and Investigation Policy 	<p>All policies remain effective in providing a rigorous framework for the safety of Vinehealth employees.</p> <p>In addition, at weekly staff meetings, Work, Health and Safety is the first agenda item, providing the opportunity for staff to raise any concerns and for management to action and resolve.</p>
<p>Ongoing program to ensure the safe and effective operation of the Naracoorte Heat Shed.</p>	<p>Activities include:</p> <ul style="list-style-type: none"> • 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. <p>This program delivers a safe operating environment for accredited users and the heat shed manager.</p>

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 (<i>WHS Act 2012, Part 3</i>)	0	0	0
Number of provisional improvement, improvement and prohibition notices (<i>WHS Act 2012 Sections 90, 191 and 195</i>)	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

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* 0

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-in-confidence and clauses in contractual agreements).

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 [here](#).

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		
<i>Phylloxera and Grape Industry Act 1995</i>		
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 <i>P013 Annual Reporting</i> for 2017-18 was released on the 13 August 2018. Therefore, to ensure compliance with <i>P013 Annual Reporting</i> 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 general biosecurity awareness and education.	Increase the number of growers implementing farm gate hygiene practices by 5% year on year.	✗
	Increase website usage rates (number of sessions, users and page views) by 20% and number of webpages viewed by 20%.	✓
	‘Open rate’ and ‘click through’ rate of Vinehealth e-news above industry standards.	✓
	Publish ‘biosecurity alerts’ and media releases as required.	✓
	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 activities to suspected or confirmed exotic or declared endemic pests.	Response activated within 24 hours of notification of a suspected or confirmed exotic or significant endemic pest.	✓
	100% implementation of incident management reporting requirements.	✓
	Training programs for staff regarding response activities implemented.	✓
	SA Phylloxera Outbreak Management Plan maintained.	✓
	All activities managed in conjunction with Biosecurity SA.	✓
4. Ensure effective management of the Naracoorte Heat Shed.	Annual user accreditation training completed.	✓
	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 quarantine standards by all industry stakeholders.

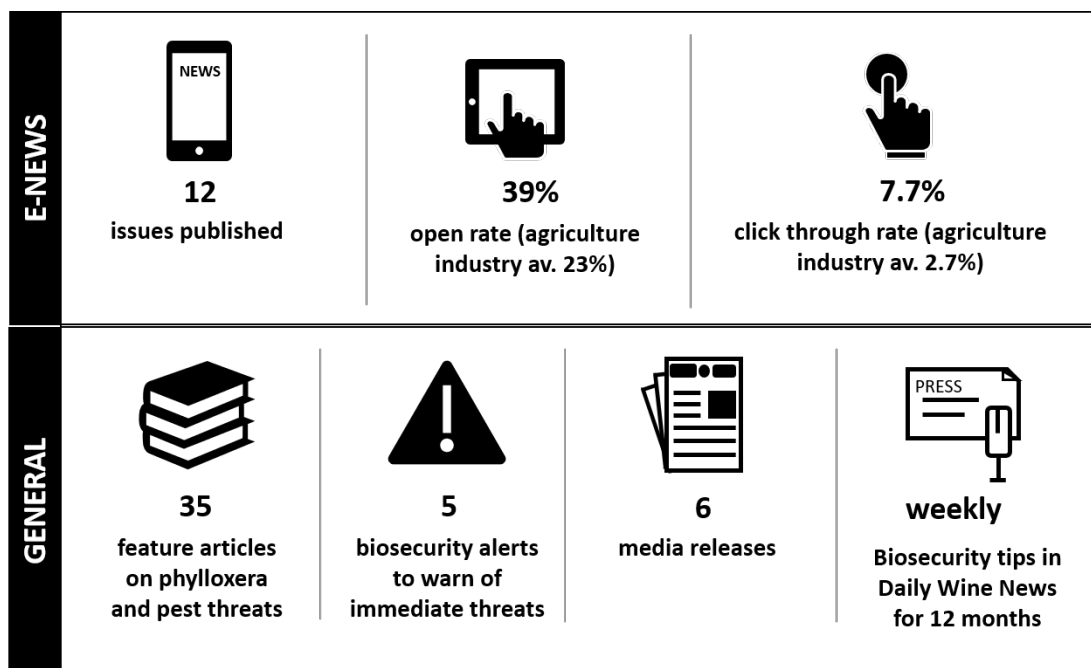
The percentage of growers implementing farm gate hygiene practices was assessed in May-June 2018 via a survey of South Australian Vineyard Owners. This has given us baseline adoption statistics. We will survey vineyard owners again in future years. This will enable us to track changes in the number of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

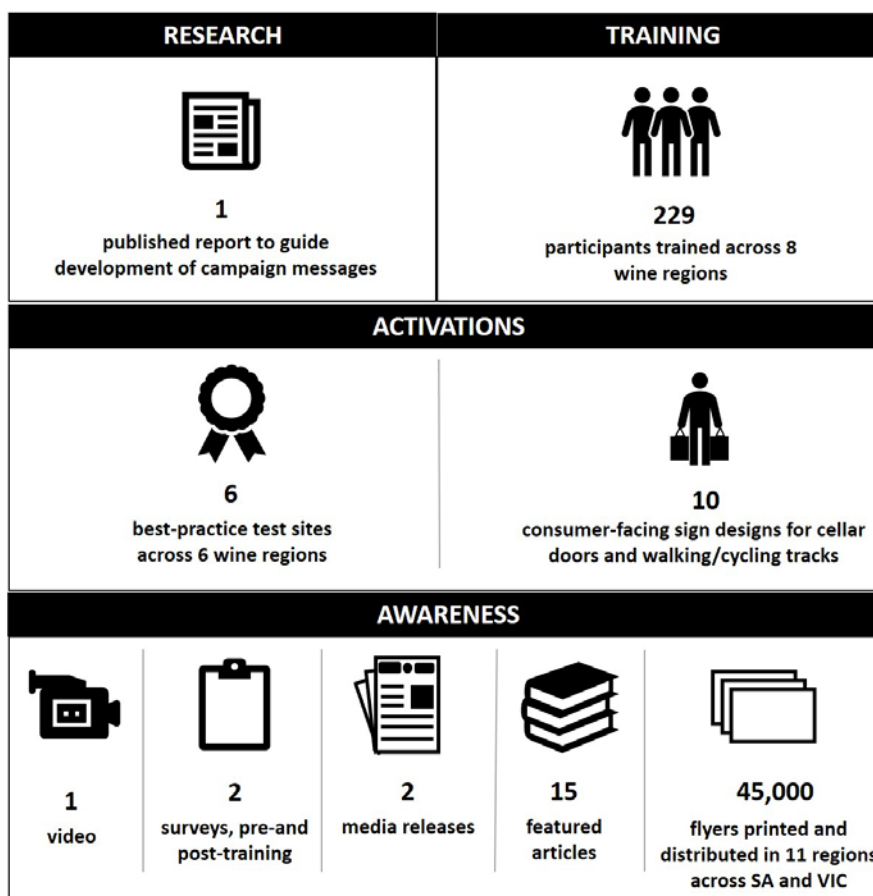
The Responsible Visitation Campaign and the associated Who's Hitchhiking With You? publicity campaign continue as part of Vinehealth operations.

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.

Impact of the Responsible Visitation Campaign



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 disinfecting 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 platform.	Identify and source funding for phase 1 build	✗
	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 textual 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.

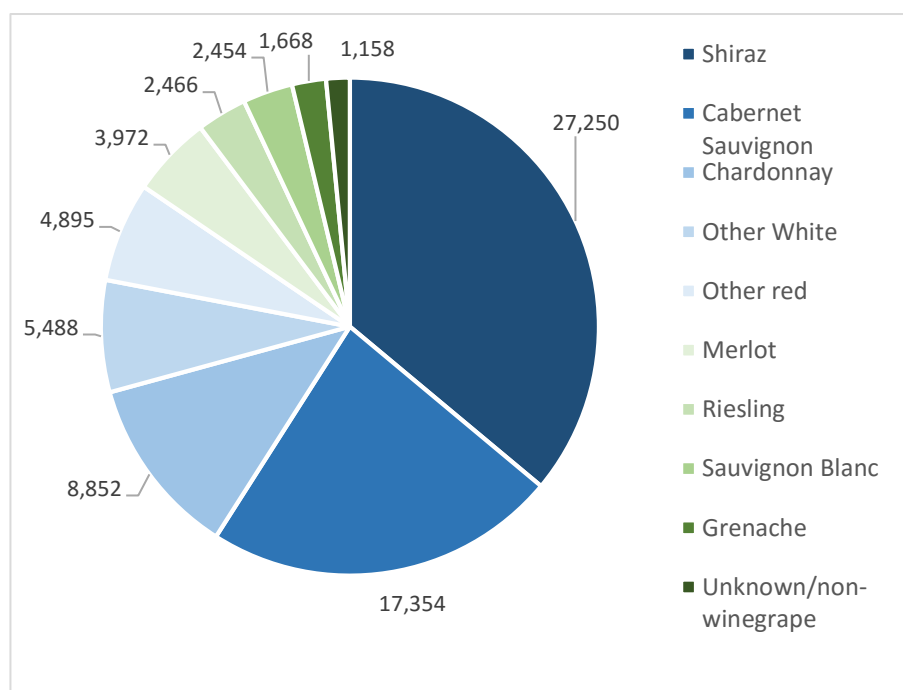


Figure 1. Split of hectares planted in South Australia to major grape varieties in 2017-18.

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 contributions payable.	Notice of Assessments distributed by mid-June.	✓
	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 Australia operations.	Implement new financial management systems.	✓
	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.

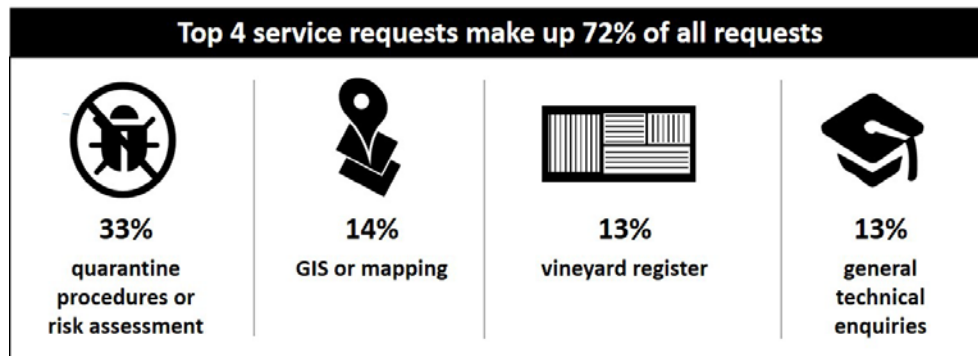
In the year ahead, this work will provide recommendations to the Board for a sustainable future levy system for Vinehealth to deliver its functions as stated in Act.

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.



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

