

# Phylloxera and Grape Industry Board of South Australia (trading as Vinehealth Australia) 2018-19 Annual Report

Phylloxera and Grape Industry Board of South Australia (trading as Vinehealth Australia)

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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 (trading as Vinehealth Australia) by:

Inca Pearce

CEO

Signature 31 July 2019

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. Each year the Premier and Cabinet Circular *P013 Annual Reporting* template is released too late for Vinehealth Australia to use given our reporting timing of 31 July. Therefore, the template used is that referenced in the DPC Circular *P013 Annual Reporting* released for the prior year.

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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 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.'

The regulatory functions of Vinehealth Australia have a South Australian focus, however, to perform many of the primary functions outlined in the Act, Vinehealth Australia requires a national focus and activity.

#### **Objectives**

- Phylloxera is contained 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
1. Strengthen the wine industry's capacity and capability to prepare for, prevent and respond to pest incursions.	A strong and successful South Australian wine industry supports a strong South Australian workforce.
	Preventing pests in vineyards saves the wine industry money in terms of additional management inputs needed when new pests are introduced.
	A strong South Australian wine industry is an attractive investment option as we strive to build the South Australian economy.
2. Ensure cohesion and commitment to effective and efficient biosecurity management by system participants.	A strong and successful South Australian wine industry supports a strong South Australian workforce.
	A strong South Australian biosecurity industry requires passionate and skilled participants. This provides career opportunities for South Australians and investment opportunities for innovative businesses.
3. Provide information, insights and intelligence to drive biosecurity decision-making and investment.	A strong South Australian biosecurity industry provides career and investment options for innovative individuals and businesses.
	Our new Digital Biosecurity Platform will deliver new technology and investment opportunities for the South Australian grape, wine and technology industries.
	A strong and successful South Australian wine industry supports a strong South Australian workforce.
	A strong and successful wine industry creates career opportunities for young South Australians.
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 Australia'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> <li>Phylloxera and biosecurity awareness and education improved.</li> <li>Biosecurity research and development investment strengthened.</li> <li>Science translated into practical solutions for industry.</li> <li>Effective response activities provided to suspected or confirmed exotic or declared endemic pests.</li> <li>Effective management of the Naracoorte Heat Shed.</li> <li>Compliance with state quarantine legislation and regulations encouraged.</li> </ul>	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> <li>Consultation achieved with other industry statutory and representative organisations regarding ongoing biosecurity management in the wine industry.</li> <li>Ongoing planning with grape and wine supply chain participants as to biosecurity risk and responsibilities.</li> <li>Engagement with the national biosecurity sector to advocate for wine industry imperatives.</li> </ul>	The South Australian grape and wine industries are national leaders, driving biosecurity initiatives and participation.
3. Provide information, insights and intelligence to drive biosecurity decision making and investment.	<ul> <li>Surveillance conducted for vine decline in South Australian vineyards.</li> <li>Vineyard Register maintained including maps of every vineyard in South Australia 0.5 hectares or greater in size.</li> <li>A new Digital Biosecurity Platform developed.</li> </ul>	South Australia remains the only Australian state with a database of every vineyard, including planting and ownership details, which provides vital intelligence to grape and wine industries.
4. Build a mature business model for Vinehealth Australia.	<ul> <li>Contributions payable effectively managed.</li> <li>Contribution structure and system reviewed.</li> <li>Timely assistance to the grape industry provided.</li> <li>Governance across Vinehealth Australia operations enhanced.</li> </ul>	Vinehealth Australia's commitment to continuous improvement delivers 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 Australia is a small agency with four employees at 30 April 2019. Vinehealth Australia has a mix of full time and part time staff, with 3.6 full time equivalents in 2018-19.

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

Click <u>here</u> for profiles on current staff and the Vinehealth Australia organisational chart.

#### **Board**

Pursuant to Section 5 of the *Phylloxera and Grape Industry Act 1995*, the Board of Vinehealth Australia 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 Australia, 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 30 June 2019 after a three-year term. Board members for 2018-19 were Ms Roseanne Healy (Chair), Dr Prue McMichael, Mr Marc Allgrove, Mr Ashley Chabrel, Dr Cassandra Collins, Mr Geoff Raven (last meeting 27 August 2018, resigned from role as Chief Inspector for Biosecurity SA), Mr Ross Meffin (new Chief Inspector for Biosecurity SA – first meeting 29 October 2018), Mr Andy Clarke, Mr Nigel Blieschke

Click here 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 2018-19, no Vinehealth Australia 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)	Mid-year and full year EPDR's were conducted for all staff using templates provided by the Office for the Public Sector.
	The Chair and CEO met regularly throughout the year to discuss CEO performance and achievement of objectives. In camera sessions were held at the beginning of each board meeting, providing an opportunity for the board to discuss any matters relating to the CEO's performance.
	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 2018-19 reporting period for employees of Vinehealth Australia.

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

Program name and brief description	Effectiveness
During the 2018-19 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 Australia
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
<ul> <li>Working Alone on Premises Policy (outside of normal office hours)</li> </ul>	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.
	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

	2018-19	2017-18	% 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**	1		
Total gross workers compensation expenditure (\$)	0	0	0
Income support payments – gross (\$)	0	0	0

<sup>\*</sup>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 2018-19	Not applicable

#### Strategies implemented to control and prevent fraud

Vinehealth Australia 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 Australia 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 Australia reports directly to the Board of Vinehealth Australia 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).
- Vinehealth Australia utilises the services of an external accounting expert to manage payroll and internal financial reporting to management and to the Board, thus providing an additional independent review and verification of accounts and payroll.
- Annual 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 Australia.
- Vinehealth Australia implements the State Procurement Board's procedures and processes in relation to any procurement over \$33,000.
- Vinehealth Australia 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 Australia against agreed policies and procedures to ensure
  transparency and accountability.

#### 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	\$9,726.60
Tigertail	Emergency/crisis management expertise	\$7,247.50
Jane Jeffreys Consulting	Independent Chair of Board Nominations Committee	\$7,250.00
	Subtotal	\$24,224.10
Consultancies above \$10,000 each		
Deloitte Access Economics	Review of contributions	\$99,440.20
	Subtotal	\$99,440.20
Total all consultancies		\$123,664.30

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 <a href="http://treasury.sa.gov.au/">http://treasury.sa.gov.au/</a> 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 Australia, the nature of work undertaken and the total cost (where applicable respecting commercial-in- confidence and clauses in contractual agreements).

2018-19 ANNUAL REPORT for the Phylloxera and Grape Industry Board of South Australia (t/a Vinehealth Australia)

Contractor	Purpose	Value (incl. GST)
Perks & Associates	Integrity audit of levies and raising of penalties, independent external audit of Vinehealth Australia's accounts, monthly accounting service (for April 2019) and transition of Vinehealth Australia's accounting system to new system to allow greater transparency	\$48,777
Biz Hub	IT architecture, ongoing development of and systems support for Vineyard Register	\$10,910
Hayley Conolly	Responsible Visitation Campaign 2 Training Manager	\$24,910
Tassie Viticultural Consulting	Contracted to undertake GPGV projects which were funded by Wine Australia / Vine Improvements Associations	\$34,625
Agriculture Victoria	Contracted Dr Fiona Constable to undertake GPGV projects which were funded by Wine Australia / Vine Improvements Associations	\$20,075
Hamuck Design	Maintenance of website	\$3,710
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	
Logic Plus	Provision of monthly IT service and help desk (Jan to Apr)	
Lettscom	Provision of monthly IT service and help desk (May to Jan)	

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 <a href="here">here</a>.

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 2018-19 are attached to this report.

Total income for Vinehealth Australia in 2018-19 was \$1,043,791, down 2.4% from 2017-18, as a result of a 13% decrease in grant income. Income from grower contributions (levies) payable under the *Phylloxera and Grape Industry Act 1995* remained stable at \$742,302 given insignificant changes in the total registered vineyard area (hectares).

Expenditure increased by 5% from 2017-18 as a result of a 30% increase in supplies and services, principally due to expenditure on a consultant to undertake a review of the funding base of Vinehealth Australia.

An overall deficit position of \$169,017 resulted for 2018-19. This resulted in an 8% decrease in total equity of Vinehealth Australia from \$2,056,636 in 2017-18 to \$1,887,619 in 2018-19. It is important to note that current year levies are invoiced yearly in arrears at the end of the financial year (30 April 2019), therefore \$742,302 of total equity has yet to be received as at 30 April 2019.

Vinehealth Australia has assets worth \$2,139,048 in 2018-19, down 6% as compared to 2017-18, and is made up primarily of cash and cash equivalents (\$1,269,200) and \$830,361 in receivables (the largest portion of which are current year levies yet to be received). A 7% increase in cash and cash equivalents was in part due to a 51% reduction in outstanding previous years' levies and penalties owing, through a targeted debt reduction strategy implemented by Vinehealth Australia and RevenueSA.

Liabilities as at 30 April 2019 total \$251,429, principally payables (creditors, accrued expenses, levies in advance and employee on-costs) and employee benefits.

In 2018-19 significant expenditure related to:

- Employee and board costs \$428,813 (35% of total expenditure)
- Project-based costs (Responsible Visitation Campaign, Digital Biosecurity Platform development, imagery acquisition, GPGV project, Coonawarra rootstock trial – some of which were externally funded) – \$217,993 (18% of total expenditure)
- Consultancy Crown Solicitor office to provide legal counsel on the implementation and interpretation of the Act and expertise for a review of the funding options to ensure a sustainable organisation – \$123,664 (10% of total expenditure)
- Stakeholder communications and engagement \$101,776 (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

#### 1. Spread of phylloxera in Victoria

The risk of a phylloxera incursion in South Australia has never been greater. The Maroondah Phylloxera Infested Zone (PIZ) boundary in the Yarra Valley has been extended nine times since it was established in 2006. There have been three new detections of phylloxera in Victoria in 2019 alone, both within the existing Maroondah PIZ boundary but also outside this boundary in a Phylloxera Risk Zone (PRZ).

This demonstrates that current industry practices and regulatory measures are failing to stop the spread of phylloxera.

South Australia must learn from these detections and invest in systems to prevent the entry of phylloxera into this and other states, but also invest in advocating for and facilitating the development of a new national strategy to manage phylloxera.

## 2. Need for funding for a Phylloxera Surveillance Strategy in SA to maintain area freedom (refer initiative 7 below)

Currently SA has area freedom status for grape phylloxera. We must continue to:

- Provide evidence to substantiate this area claim to facilitate market access for our wine producers; and
- Monitor the state to give the South Australian wine industry the best chance to detect an
  incursion as early as possible, so as to limit the potential spread and impact on the
  industry.

In 2018, the development of a new accurate, sensitive and user-friendly detection method ('DNA method') for phylloxera was completed (in a project led by Vinehealth Australia in collaboration with SARDI). The availability of this new method, in combination with other primary and secondary methods of detection, and the need to incorporate new risk-based approaches to surveillance requires SA to urgently form a new surveillance strategy.

#### 3. Lack of sustainable funding for Vinehealth Australia

As indicated in our 2017/18 Annual Report, Vinehealth Australia does not have the funding required to effectively carry out its primary functions and the work now needed to safeguard South Australian vineyards from pest and disease threats.

A review of Vinehealth Australia's funding position and funding requirements has been completed by Deloitte Access Economics. This included a review of the current vineyard owner levy.

A range of recommendations have been presented to the Vinehealth Australia Board in June 2019. The Vinehealth Australia Board will determine its response to these recommendations and conduct industry information sessions in the second half of 2019.

#### 4. Requirement to source funding to ensure build of the Digital Biosecurity Platform

Vinehealth Australia is creating a Digital Biosecurity Platform for the South Australian wine industry, which will be a leader for plant industries globally.

It will bring together modern digital capability with vineyard data, biosecurity data and best practice management systems. It will assist in safeguarding South Australia's \$2.15 billion wine industry against local and global biosecurity threats.

Investment is needed to ensure the Digital Biosecurity Platform can deliver the biosecurity solutions required.

#### 5. Wine tourism promotions and biosecurity

Our work with the Responsible Visitation Campaign (RVC) has uncovered a divide between how the wine industry wants to be promoted and how the tourism industry is promoting it.

The distribution of images and videos showing tourists in vine rows creates an expectation for visitors to South Australia that the wine industry does not support. Promotion of the wine industry should not encourage tourists to walk into vineyards.

Work is needed to address this discrepancy, which is putting the sustainability of the South Australian wine industry at risk.

## 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.

#### **OPERATIONS AND INITIATIVES**

Key operations and initiatives are reported against each of the strategies outlined in Vinehealth Australia's 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 Australia is committed to strengthening our biosecurity systems for the health of South Australian vineyards and the continued prosperity of our grape and wine industries.

#### 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 and	Raise awareness of biosecurity at wine industry events, conferences and in wine regions.	<b>~</b>
education.	Increase website usage rates (number of sessions, users and page views) by 20% and number of webpages viewed by 20%.	<b>~</b>
	'Open rate' and 'click through' rate of Vinehealth Australia e-news above industry standards.	<b>✓</b>
	Publish biosecurity alerts and media releases as required.	<b>/</b>
	Provide weekly biosecurity information in industry journals/news.	<b>✓</b>
	Activate two specific communications campaigns to provide practical biosecurity information that growers can implement.	<b>~</b>
2. Strengthen biosecurity	Active participation in shaping the national R&D plant biosecurity landscape.	<b>~</b>
research and development investment and	100% completion of project milestones in the Wine Australia contract for a review on Grapevine Pinot gris virus.	<b>~</b>
translation of science into	100% implementation of Coonawarra rootstock trial sampling and industry liaison requirements.	<b>/</b>
practical solutions for industry.	Facilitate the translation of scientific results relating to biosecurity, into practical solutions for growers and industry.	<b>/</b>
3. Provide effective response	Response activated within 24 hours of notification of a suspected or confirmed exotic or significant endemic pest.	<b>/</b>
activities to suspected or	100% implementation of incident management reporting requirements.	<b>✓</b>
confirmed exotic or declared	Initiate the development of a Phylloxera Incursion Response Strategy.	<b>/</b>
endemic pests.	All activities managed in conjunction with Biosecurity SA.	<b>/</b>
4. Ensure	Annual user accreditation training completed.	<b>/</b>
effective management of	Implementation of preventative maintenance schedule.	<b>/</b>
the Naracoorte Heat Shed.	Promotion of heat shed to key stakeholders.	<b>✓</b>
5. Encourage compliance with State quarantine	Undertake industry consultation on proposed changes to South Australia's Plant Quarantine Standard.	<b>~</b>
legislation and regulations.	Design and oversee installation of state border biosecurity signage.	<b>\</b>

#### **ANALYSIS OF PERFORMANCE**

#### Initiative 1: Improve phylloxera and general biosecurity awareness and education

Vinehealth Australia's highly effective communication and engagement plan supports the delivery of the Vinehealth Australia's Strategic Plan and ensures that compelling content is delivered to all stakeholders in effective ways. We aim to:

- Increase the number of growers implementing farm-gate hygiene practices.
- Improve compliance with state-based quarantine regulations.
- Encourage growers to regularly inspect their vines for unusual symptoms and seek help to confirm symptoms or pests.
- Encourage stakeholders to consider biosecurity as an enabler for success.
- Ensure stakeholders understand and value Vinehealth Australia's activities and services.

The communication and engagement plan includes regular activities:

- A monthly e-newsletter and Biosecurity Alerts as required. Our Monthly e-news
  editions continue to be well received and the average open rate is just under
  40%, which is well above industry average.
- Articles about biosecurity and farm-gate hygiene in wine industry and general media.
- Creation and management of campaigns, such as the Responsible Visitation Campaign and the annual vintage farm-gate hygiene campaign.
- The creation of posters, fact sheets and stickers to communicate key messages in effective ways, such as the Seasonal Workers Fact Sheet.
- New content written for the Vinehealth Australia website, including new pages to host industry consultation projects.
- Effective communication of important industry information, such as the Plant Quarantine Standard Review.
- Regular public appearances, including regional visits and speeches at industry events.

The percentage of growers implementing farm gate hygiene practices was assessed in 2018 via a survey of South Australian Vineyard Owners. Key results included:

- 72% regularly inspect their vines for anything usual.
- 58% don't allow unauthorised vehicles to drive within their vineyard.
- 54% restrict access to their vineyard with fences and gates.
- 20% provide farm-gate hygiene training for staff and casual labour.
- 39% check machinery and equipment coming onto their property.
- 17% keep a visitor log.
- 13% disinfest visitors' footwear.

The survey demonstrated there is significant work to be done at the farm-gate level. Our communications and engagement plan will continue to focus on the adoption of farm-gate hygiene practices in South Australia. This survey will be again conducted in 2020 at which time we will be able to determine if there has been an increase in adoption of farm-gate hygiene practices year on year.

Five highlights of our 2018/19 communications and engagement plan included:

#### 1. New phylloxera bumper stickers

We designed striking new phylloxera bumper stickers and posted two stickers to every registered vineyard owner in South Australia in August 2018. We continued the promotion in September and posted out more than 1,700 stickers to regional wine industry associations and to the largest growers in SA, for distribution to staff and visitors.

#### 2. \$5,000 worth of farm-gate signs

With PIRSA funding, we distributed free farm-gate biosecurity signs to more than 100 vineyard owners in South Australia in 2019.

#### 3. Meetings with regional councils

As part of the Responsible Visitation Campaign, Vinehealth Australia CEO Inca Pearce and campaign manager Cindie Smart met with CEOs and managers of regional councils, wine industry associations and tourism groups around South Australia to discuss biosecurity.

Topics covered include regional development and biosecurity planning, fencing of vineyards near bike and walking tracks, tools and technology to improve biosecurity practices, and support for the Vinehealth Australia's Wine Tourism Biosecurity Program.

These meetings were overwhelmingly positive, with regional councils shocked by the potential damage that could be done by an outbreak of phylloxera or other damaging pest, and supportive of Vinehealth Australia's activities and campaigns.

#### 4. Biosecurity education at the Royal Adelaide Show

Phil the Phylloxera Guy appeared at the 2018 Royal Adelaide Show, in the PIRSA Farm Expo Pavilion. He spoke to wine enthusiasts doing wine tastings in the Cellar Door Experience stand, he was interviewed live on air by ABC Adelaide and he was interviewed by the Stock Journal. Phil also posed for dozens of selfies, including with the Governor of South Australia, His Excellency the Honourable Hieu Van Le. The anti-hero of Vinehealth Australia's Who's Hitchhiking With You? campaign (part of the RVC), Phil focused on telling show-goers about how pests can damage or kill grapevines, and what visitors to wine regions can do to help.

#### 5. Fact sheets for seasonal workers in five languages

In response to requests from vineyard owners, Vinehealth Australia developed a Seasonal Workers Fact Sheet focused on biosecurity and translated it into Vietnamese, Urdu, Hindi, Thai and Dari.

The fact sheet explains to workers that Australia, an island nation, is lucky not to have many of the pests and diseases that other countries deal with. We pride ourselves on keeping pests and diseases out. The fact sheet was distributed to vineyard owners and regional associations in February.

Click here for details of all communications activities.

38% open rate (industry av. 23.12%)

Services industry av. 2.67%)

Services industry av. 2.67%)

media releases

Biosecurity tips in

**Daily Wine News** 

for 12 months

#### Continued investment in communication capability and capacity May 2018 - April 2019.

#### Responsible Visitation Campaign

feature article

on phylloxera

and pest threats

Further to the above activities, the Responsible Visitation Campaign (RVC) was extended for a second year. Co-funded by PIRSA, round two of the RVC included:

biosecurity alerts

to warn of

immediate threats

- Extension of the popular Wine Tourism Biosecurity Training Program to more than 120 cellar door and wine tourism staff between November 2018 and May 2019.
   Participants were educated about their role in keeping vineyards healthy and how to talk to tourists about vine health.
- The provision of training materials to another 527 cellar door and wine tourism staff.
- The education of bus tour operators about their role in keeping vines healthy. This included a mail-out of educational kits to hundreds of tour operators, containing an introductory letter, a fact sheet full of practical tips for keeping vines safe and 'healthy vines' bumper stickers for tour vehicles. Key bus tour operators were also trained.
- Vinehealth Australia CEO Inca Pearce and campaign manager Cindie Smart met with CEOs and managers of regional councils, wine industry associations and tourism groups around South Australia to discuss biosecurity. Topics covered include regional development and biosecurity planning, fencing of vineyards near bike and walking tracks, tools and technology to improve biosecurity practices, and support for the Vinehealth Australia's Wine Tourism Biosecurity Program.

This campaign ran from October 2018 to June 2019.

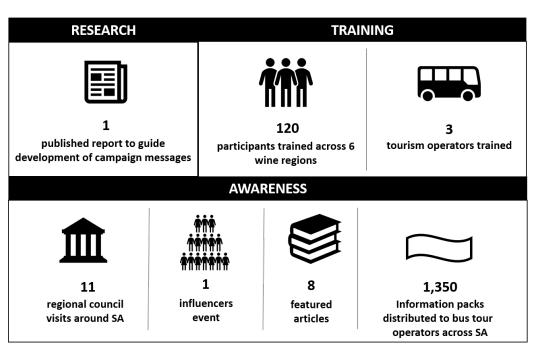
#### Sign Sales

As a result of RVC work, 10 consumer-facing signs are available for cellar doors and tourist operators near vines. Designed in consultation with regional wine industry associations and PIRSA, significant promotion of these signs has resulted in 104 signs purchased in the May 2018-April 2019 financial year.

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 design with the highest uptake, as per the previous year, 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.'

In addition, Vinehealth has continued to promote farm-gate biosecurity signage for 'industry' entrances using modified Plant Health Australia farm-gate hygiene signs. Uptake continues to be strong with more than 200 signs sold for the year and an additional 100 signs funded and distributed by PIRSA.

Impact of the Responsible Visitation Campaign 2



The final Responsible Visitation Campaign 2 report will be loaded onto the Vinehealth Australia website when approved by PIRSA.

## 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

Vinehealth Australia maintains relationships with a network of researchers key to biosecurity and the pests and diseases that threaten the health of vines. These relationships are vital to support the primary functions of Vinehealth Australia in preparing for, preventing and responding to a pest or disease.

#### Grapevine Pinot gris virus

As a result of the Grapevine Pinot gris virus (GPGV) incursion in 2017-18, Vinehealth Australia was successful in obtaining funding, largely from Wine Australia, to lead a collaborative team of Fiona Constable (Agriculture Victoria Research), Libby Tassie (Tassie Viticultural Consulting) and the Australian Wine Research Institute, to gain additional knowledge on GPGV, through completion of a project titled 'A comprehensive review of Grapevine Pinot Gris virus (GPGV), including recommendations for future research, development and extension work in Australia.'

This project included a comprehensive literature review, partial pest risk analysis, recommendations for future research, development and extension work in Australia, guidance for the nursery and vine improvement sector, and industry communications.

Completed in early 2019, 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.

To address one of the recommendations from the review to extend the outcomes to the nursery and vine improvement sector nationally prior to the 2019 propagation season, Vinehealth Australia secured additional funding from Wine Australia. This extension project is due to be completed by 30 June.

#### Coonawarra Rootstock Trial

In the state's Limestone Coast, we continue our long-term partnership with Treasury Wine Estates (TWE) and Coonawarra Grape and Wine Incorporated (CGWI) in a rootstock trial planted on the region's famed terra rossa soil.

Now in its tenth year, the project compares the performance of own-rooted Cabernet Sauvignon (CW 44 clone) vines against eight rootstocks, some of which are grown in very low quantities commercially.

This trial has been recognised as a significant resource for the region to foster, enabling a hands-on learning experience for grapegrowers and winemakers to consider rootstocks as a risk management tool for future plantings to combat the risks of phylloxera, climate change and other issues. The trial is particularly important for small producers who generally have less capacity to test new planting material and less access to new industry information.

Click to <u>here</u> for detailed information on the trial objectives, setup and preliminary results.

During vintage 2019, Vinehealth Australia hosted a second field walk of the trial site which was well-attended by local grapegrowers and winemakers. A range of viticultural measures were collected and grapes hand harvested in sufficient quantity for duplicate, small lot wines to be made for the first time. Click <a href="here">here</a> for information about the trial results so far. A full report will be produced on the completion of wine tastings late in 2019.

#### Science translated into practice for industry

Vinehealth Australia completed a comprehensive review in 2018 of the phylloxerarelated Conditions in the SA Plant Quarantine Standard (PQS). This review included analysis of the recent scientific studies completed by Agriculture Victoria (and co-funded by Wine Australia) for efficacy of key disinfestation procedures against key endemic strains.

Review of the science revealed the need for the current 40°C dry heat treatment to be increased in duration from 2 hours to 3 hours to achieve 100% mortality across all strains.

Vinehealth Australia worked in conjunction with Biosecurity SA to ensure this change was incorporated in an updated version of the SA PQS, prior to completion of industry consultation on a range of other proposed changes.

As part of the SA PQS review and in recognition of the importance of the time/temperature interaction for dry heat treatment in achieving 100% mortality of phylloxera, Vinehealth Australia also identified a regulatory gap in the oversight of dry heat treatment in comparison to other sterilisation methods such as hot water and methyl bromide. Dry heat treatment is currently the only sterilisation method impacting the wine and grape industries and being used as an entry condition, for which there is no accreditation system for businesses conducting the treatment. The issue was raised by Vinehealth Australia nationally through a paper submitted to the Subcommittee for Domestic Quarantine and Market Access, resulting in the proposed drafting of a new accreditation system for heat sheds.

The SA PQS review also highlighted the potential value of a self-certification bin accreditation system to help industry meet the need of certifying that grape bins imported into SA from a Phylloxera Exclusion Zone are clean of soil and plant material. Vinehealth Australia recommended to Biosecurity SA in October 2018, that this be achieved through modification to an existing bin certification scheme used between Victoria and New South Wales.

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

#### Response activities

Vinehealth Australia maintains capability and capacity to respond to grower requests to investigate unresolved significant vine health issues, providing expertise to Biosecurity SA on all biosecurity incidents relevant to the grape and wine industries, and to the federal government upon request.

During 2018-19, Vinehealth Australia responded to five quarantine-related incidents and supported Biosecurity SA in ensuring compliance against SA's Plant Quarantine Standard and investigating and resolving matters raised.

#### **Declared endemic pests**

Fruit Fly

As part of the Loxton fruit fly outbreak, Vinehealth Australia used its Vineyard Register to provide key information to Biosecurity SA on Riverland vineyard and winery numbers and locations and to validate potential impact on industry of imposed movement conditions.

Vinehealth Australia took the lead on preparing a suite of movement conditions for the wine industry and then communicating these to businesses growing grapes in and transiting through the fruit fly affected area. Vinehealth Australia also provided timely and practical information on request to support the operations team.

#### Phylloxera

Vinehealth Australia continued to communicate with industry on three further phylloxera detections in the Yarra Valley in early 2019, prepared as joint <u>Biosecurity Alerts</u> with Australian Grape and Wine Inc. (AGW). These alerts focussed on the importance of growers undertaking active preparedness and prevention activities to combat the entry and subsequent spread of phylloxera. Vinehealth Australia has raised concerns that industry and jurisdictions are not adequately learning from these detections and more emphasis must be placed on this.

#### Exotic pests

Vinehealth Australia also 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 Australia, remain confidential until the appropriate time that broader information can be supplied to industry and the community.

#### Brown Marmorated Stink Bugs

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

#### Grapevine Pinot gris virus response debrief

In July 2018, Vinehealth Australia provided a comprehensive debrief on the response to GPGV to the Plant Health Committee. The debrief focussed on strengths and weaknesses of the response and system improvements require pre-, during and post- incursion. This debrief and feedback loop to state and national regulators is vital to ensure that we can response to similar threats better in the future.

#### Development of a Phylloxera Incursion Response Strategy initiated

The need for a South Australian Wine Industry Phylloxera Resilience Plan to replace the existing Outbreak Management Plan has become clear.

This is in light of the ever-present threat of phylloxera over the border, the increasingly complex and difficult to manage biosecurity landscape, and the knowledge gained during a phylloxera outbreak simulation held in late 2018 (see below).

Vinehealth Australia has started development of a Phylloxera Incursion Response Strategy containing an integrated Regulatory Response Plan (being developed in partnership with Biosecurity SA) and Industry Response Plan, to maximise the state's preparedness for a phylloxera outbreak and response 12 months postincursion. Funding is currently being sought to undertake the Industry Response Plan of this Strategy.

While this Strategy targets phylloxera, its realisation will put industry and government in a strong position to build resilience against other plant pests.

The Phylloxera Incursion Response Strategy for South Australia will minimise economic, social and environmental losses through:

- Protection of assets and livelihoods of grape and wine businesses.
- Creating buy-in and agreement by the wine supply chain on movement restrictions both within a declared Phylloxera Infested Zone and between Phylloxera Management Zones to minimise phylloxera spread.
- Minimising downtime to vintage operations.
- Increasing understanding by industry of the regulatory actions government will undertake in the event of an incursion.
- Addressing community and allied industry response.
- Demonstrating capacity for government and industry to work hand in hand for mutual benefit.
- Providing a strong framework for continual review by both industry and government post an incursion.
- Driving further adoption of prevention and preparedness activities across the supply chain including the incorporation of biosecurity in Business Continuity Plans and Crisis Management Plans.

#### Initiative 4. Ensure effective management of the Naracoorte Heat Shed

Vinehealth Australia 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 increased during 2018-19 to 24 uses, compared to 21 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

South Australia's Plant Quarantine Standard

South Australia's enviable phylloxera-free status is in part due to a set of conditions that outline entry requirements for grapes, grape products, machinery, equipment, grapevine material and vineyard soil that could carry phylloxera into the state. These conditions are outlined in 'South Australia's Plant Quarantine Standard' (SA PQS).

The conditions relating to phylloxera in the SA PQS (7, 7A, 8 and 8A) have not been reviewed in their entirety for at least 10 years since release of the National Phylloxera Management Protocol (NPMP) in 2009 – a document which underpins the disinfestation procedures in the SA PQS. State entry requirements for phylloxera risk vectors must be continuously reviewed to ensure they mitigate the risk of an incursion due to the ever-increasing connectivity and changing structure of our industry and new science on phylloxera.

Since 2009, there has been significant research undertaken by Agriculture Victoria Research (Rutherglen), to advance our knowledge on the strains of phylloxera we have in Australia and the implications of this strain variation on effectiveness of disinfestation procedures. It is vital that disinfestation practices in SA's PQS reflect our contemporary scientific knowledge and are effective against these key phylloxera strains.

Vinehealth Australia has undertaken a full review of the current PQS in order to propose a suite of changes to industry, aimed at strengthening state borders. This review involved:

- Completion of a pest risk analysis for grape phylloxera to evaluate the risk of entry, establishment and spread of phylloxera based on current PQS entry conditions for all risk pathways from each of the three Phylloxera Management Zones. Identification of the risk pathways for which the overall risk estimate is above a 'very low' rating, indicating a strengthening of import requirements is warranted.
- Evaluation of the latest published research on phylloxera disinfestation procedures undertaken by Agriculture Victoria Research (Rutherglen).
- Initiation of a tri-state meeting between Vinehealth Australia, Agriculture Victoria
  Research and Regulatory branches and Department of Primary Industries NSW to
  review new disinfestation research and agree in principle on a set of proposed
  changes to some time and temperature specifications of these disinfestation
  procedures.
- Full analysis of phylloxera conditions 7, 7A, 8, 8A in the current SA PQS v13.0
   October 2017 and the rewrite of these conditions into a single consolidated Condition, proposed as 'Condition 7'. From this analysis, 85 changes have been proposed and categorised into three themes:
  - Readability: improving industry's ability to understand the entry conditions and how to comply with them;
  - Completeness: ensuring entry conditions have been outlined for all risk pathways that can be regulated; and
  - Science: integrating new science on phylloxera disinfestation treatments into practice.
  - Production of a document itemising each of the 85 proposed changes, outlining current wording, the proposed change and reasoning behind each change.
  - Discussion and validation of the proposed set of changes with PIRSA Biosecurity SA across multiple meetings.

An industry consultation phase was held between November 2018 and 30 June 2019. A comprehensive consultation pack was produced, meetings were held in regions and a dedicated feedback page was set up on the Vinehealth Australia website.

All meetings held with industry have been resoundingly positive and valuable feedback was logged from each session. We are currently in the process of reviewing all feedback received to date. Regular updates will be provided to industry as we progress through the final stages.

#### State border signage

To further ensure South Australia's phylloxera free status, Vinehealth Australia organised the design and installation of nine large and distinctive biosecurity signs at key border locations, following requests to the Minister by Coonawarra Grape and Wine Inc.

These signs, funded by PIRSA, highlight the strict quarantine requirements associated with the entry of phylloxera risk items into the state, such as vineyard machinery, equipment, soil and grapes.

Non-compliance with SA Plant Quarantine Standard

Vinehealth Australia continues to work with the wine industry and Biosecurity SA to investigate non-compliance against the SA Plant Quarantine Standard (PQS).

Details of such cases and investigations remain confidential until resolved and communications approved. Vinehealth Australia recognises the importance of informing industry of such incidents.

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

Pest pressures are intensifying in Australia. There's been a doubling in the number of exotic plant pest incursions in the past seven years. And phylloxera is on the move in Victoria.

The modern biosecurity landscape is characterised by global trade and tourism, agricultural intensification, 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 Australia 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.	Continue discussions with other industry statutory and representative organisations regarding ongoing biosecurity management in the wine industry.	<b>✓</b>
	Engagement with the national biosecurity sector to advocate wine industry imperatives.	<b>~</b>
	Undertake a phylloxera outbreak simulation with a large wine business.	<b>~</b>
	Advocate for improved biosecurity systems underpinning state PQS	<b>~</b>

#### **ANALYSIS OF PERFORMANCE**

## Initiative 6. Ensure cohesion and commitment to effective and efficient biosecurity management by system participants

Vinehealth Australia continues to advocate for meaningful and purposeful commitment to and investment in grape and wine biosecurity. We do this through meetings, speeches, campaigns, reports, discussion papers, articles and more.

Vinehealth Australia raised awareness of biosecurity issues to numerous industry groups, forums and meetings in South Australia and nationally, including SA grower meetings, regional wine industry meetings, state wine industry meetings, Winemakers' Federation of Australia (now Australian Grape & Wine Inc) board meetings, Plant Biosecurity Research Initiative meetings, Australian Grapevine Foundation Planting Service (now South Australian Vine Improvement Inc) meetings, Great Wine Capitals forums, a fruit fly simulation in Riverland and more.

Vinehealth Australia 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 on behalf of the wine industry.

Vinehealth Australia has worked closely with the newly formed Australian Grape & Wine Inc (who are signatories to the EPPRD for the wine industry) to develop a new framework and structure for the management of biosecurity in the wine industry. This close partnership with AGW, which draws on the relative strengths of the respective organisations, will ensure the wine industry can best address the biosecurity threats it currently faces as well as those on the horizon.

Vinehealth Australia continues to be an associate member of Plant Health Australia and attend forums and meetings to maintain knowledge of biosecurity activities across various plant sectors.

Undertake a phylloxera outbreak simulation with a large wine business

In late 2018, Vinehealth Australia in partnership with Treasury Wine Estates (TWE), undertook a two-day phylloxera outbreak simulation created by Vinehealth Australia and facilitated by crisis management experts Tigertail.

This simulation was designed to deliver intelligence to the South Australian wine industry and regulators as we embark upon a new South Australian Phylloxera Incursion Response Strategy (see above).

This simulation provided an opportunity for government to better understand the needs of the wine industry during and after a phylloxera incursion and highlighted the joint benefits of an integrated industry and government strategy, to minimise the economic and social impact on industry and communities of a phylloxera incursion.

Impact on harvest logistics would be significant and would see industry scrambling to set up infrastructure and systems that would enable grapes to be harvested and crushed considering quarantine restrictions that would be applied. The cost to replace vineyards (as there is no eradication method for phylloxera) would be approximately \$60,000 per hectare, plus the loss of crop for at least two years while new vines grow and then another three to five years until vines produce fruit at desired quality specifications. That's not to mention the impact on brands, the immense social impact in our wine regions and the additional cost of compliance.

Vinehealth Australia greatly appreciates the partnership with TWE to undertake this simulation which will benefit the entire state through an improved South Australian Phylloxera Incursion Response Strategy.

Advocate for improved biosecurity systems underpinning state PQS

Vinehealth Australia prepared two papers for the national plant health Subcommittee for Domestic Quarantine and Market Access.

The first paper advocated for national adoption of an increased duration from 2 to 3 hours to the 40°C dry heat treatment for machinery and equipment, to ensure efficacy against seven endemic strains of phylloxera. Agreement was received at the meeting and the desired changes have been implemented in both South Australian and Victorian movement conditions to date.

The second advocated for a national heat shed accreditation system as dry heat treatment is the only sterilisation method for phylloxera, for which treatments are not verified according to an interstate certification assurance scheme, verifying adequate

time and temperature specifications are met during the treatment. Agreement was received at the meeting and Biosecurity SA has commenced work on the system.
Of critical importance is a review of the National Phylloxera Management Protocols (NPMP) and the development of a national approach to the management of phylloxera. These protocols underpin state PQS and are acknowledged by both industry and regulators to be out of date, with the protocols not being reviewed since they were established in 2009.
Vinehealth Australia continues to strongly urge key stakeholders (industry and state regulators) that a coordinated review of these protocols should occur and that a new national strategy be developed for the management of phylloxera. Work continues to ensure that in the coming year an effective process is established for the review of the NPMP and the development of a new strategy.

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

To keep pace with demand for premium South Australian wine, 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. Surveillance for vine decline in South Australian vineyards.	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.	<b>✓</b>
	Generate vineyard layer for all PRZs and PIZs in other states.	<b>~</b>
	Generate a new vineyard layer for all South Australian GI region boundaries.	<b>~</b>
	Use information in the vineyard register to assist regions protect grapes from smoke taint.	<b>/</b>
9. A new Digital Biosecurity Platform.	Scope market capability to meet desired functional specifications for the Digital Biosecurity Platform.	<b>✓</b>
	Initiate procurement stage for the Digital Biosecurity Platform.	<b>~</b>

#### **ANALYSIS OF PERFORMANCE**

#### Initiative 7. Surveillance for vine decline in South Australian vineyards

In 2001, Vinehealth Australia commenced using remote sensing and GIS technologies, with digital multi-spectral imagery 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. Imagery is collected every three to five years for each grape growing region in SA, which enables multiple-year comparisons to detect vine decline.

In 2018-19, a new pilot surveillance plan for phylloxera in South Australia was developed, using aerial imagery and on-ground testing using two methods to detect phylloxera, (1) visual inspection in the field and (2) soil core samples for DNA analysis. Secure funding is being sought for the implementation of this plan in 2019-20.

Imagery capture for the Limestone Coast was completed in early 2019, with work now underway to analyse these maps and confirm digitisation of vineyard boundaries. This work is due for completion by September 2019.

#### Initiative 8. Maintaining the Vineyard Register

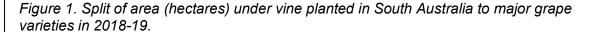
Pursuant to Section 19 of the Act, Vinehealth Australia maintains a Register of people who own vineyards comprising 0.5 hectares or more of planted vines. The Register contains owner details, parcel and land titles information, vineyard area, grape variety, rootstock and age of vines. Each vineyard is mapped every 3-5 years. During 2018-19, Vinehealth Australia continued to manage information in the Register to ensure its accuracy and currency.

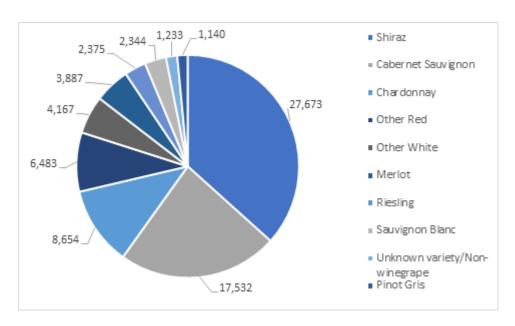
In addition, significant time was spent in 2019 re-digitising the boundaries of the Geographic Indicator Regions, Subregions and Zones with that described in the textural description held by Wine Australia, to align with the GIS datasets held by South Australian departments such as roads and land parcels. This updated data set was provided to Wine Australia as the custodians of GI boundaries to ensure consistency across various platforms. Similarly, the Phylloxera Management Zone boundaries were also re-digitised to overcome issues resulting from the merging of datasets from numerous entities with different data management processes.

#### Snapshot of Vineyard Register information for 2018-19

During 2018-19 there was a 0.09% decrease in the total registered vineyard area to 75,488 hectares in South Australia, and a reduction of 30 registered owners with vineyard planted to 3,296. 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 75,488 hectares of vineyards in South Australia by major grape variety, with the top three varieties, Shiraz, Cabernet Sauvignon and Chardonnay accounting for 71% of the total area planted to vineyards. There was a 0.86% change in planted area between 2017-18 and 2018-19 for the top seven varietal categories, as shown in Figure 1.





It is important to continue to highlight the vulnerability of South Australian vineyards to phylloxera. Data in the Vineyard Register show that 73% of area under vine in South Australia is planted to vines on own roots (an increase of 1% on 2017-18), which are susceptible to attack by phylloxera. Of the major winegrowing regions in SA, the Riverland continues to have the greatest number of hectares on rootstock, being 45% of the region's total area under vine.

Across SA, the top four rootstocks planted in order of percentage of the total vineyard area in SA planted, are Ramsey (6.6%), Paulsen 1103 (5.1%), Ruggeri 140 (2.4%) and 101-14 (2.4%).

Information from the Vineyard Register in 2018-19 provided source information for the South Australian Winegrape Crush Survey click <u>here</u>.

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.

#### Initiative 9. A new digital biosecurity platform

Vinehealth Australia continues to progress the implementation of its Digital Biosecurity Strategy. Key to this strategy is the development of a geospatial and temporal databased Digital Biosecurity Platform to replace Vinehealth Australia's existing Vineyard Register.

As reported last year, it is imperative that Vinehealth Australia modernises its biosecurity systems to become more 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.

This Digital Biosecurity Platform will allow the grape and wine sectors to keep pace with rapidly evolving external biosecurity tools and systems and deal with increasing incursion threats. It will accelerate growers' adoption of digital farming. It will establish SA producers as global leaders in biosecurity and support the substantiation of credentials for international trade negotiation.

#### The outcomes will be:

- Enhanced incursion prevention for SA grape and wine production at a time of increased pest and disease incursion risk.
- Ability to effectively respond to an incursion and minimise economic, social and environmental impact.
- Implementation of a new business and operating model for industry-led biosecurity.
- Development of AgTech at the industry level to lead the transition of growers into digital farming, enhancing and easing resistance to the future adoption of agriculture 4.0 technology.
- Implementation of an excellent user experience in sector biosecurity engagement.
- Ongoing capability to protect one of SA's greatest viticultural assets its old vines and their increasing tourism and wine production value.

Given the inherent risk profile of significant IT projects such as this, Vinehealth Australia has continued its due diligence in 2018-19 to:

- Conduct extensive and detailed market research to inform the acquisition process, and
- Develop a robust Acquisition Plan which is aligned to the requirements of the Procurement Board of SA.

To assist Vinehealth Australia progress the Acquisition Plan through the required procurement process, Vinehealth Australia was successful in receiving an additional \$75,000 grant from PIRSA through the South Australian Wine Industry Development Scheme (SAWIDS).

The Acquisition Plan was approved by the Procurement Board of SA in May with the Plan being subsequently posted on the SA Tenders and Contracts website. Final tender submissions are due by mid-June and will then be evaluated against pre-determined criteria.

Pending funding being secured for the build of the Digital Biosecurity Platform, it is envisaged build will commence in late 2019 / early 2020.

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

Vinehealth Australia 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.	<b>~</b>
contributions payable.	Debt management strategy executed.	<b>~</b>
11. Review of contribution structure and system.	Complete review of existing contribution structure under the Act.	<b>\</b>
12. Provision of general assistance to the grape industry.	Response to requests activated within 48 hours of receipt.	<b>~</b>
13. Enhanced governance across Vinehealth	New Board nomination process developed and implemented.	<b>~</b>
Australia operations.	Continuous improvement of operating policies and procedures.	<b>/</b>

#### **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 Australia.

Management of contributions payable as per the Act and recovery of outstanding debts is an ongoing significant administrative task for Vinehealth Australia. Rigorous oversight of this system ensures delivery of an effective and efficient system.

The implementation of a new debt management recovery process in partnership with RevenueSA in 2017-18 has reduced outstanding debts by 51% in the last financial year. Discussions with RevenueSA and other SA government agencies responsible for assisting the collection of outstanding debts continue with the aim to ensure that the recovery of outstanding debts is cost effective, efficient and transparent.

Integrity of the contribution 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 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 contribution structure and system

The range of biosecurity risks to the South Australian industry has become more diverse and the threat-level is intensifying.

Protecting South Australia's vineyards in this rapidly evolving biosecurity landscape is an increasingly costly exercise. Under the Act, vineyard owners are required to pay an annual contribution to defray the expenses incurred by Vinehealth Australia. This is levied on a per hectare basis, with a \$50 minimum. The levy rate has remained unchanged since 1996.

As a result, the costs of preventing and managing the biosecurity risks to South Australia's viticulture industry are now outpacing Vinehealth Australia's ability to raise the funds necessary to perform its primary functions. This is a significant issue for Vinehealth Australia and the South Australian wine industry.

To address this, the Board of Vinehealth Australia commissioned an independent review of Vinehealth Australia's income by Deloitte Access Economics. The Funding Review was conducted in two phases:

- Phase 1 focused on the cost recovery principles as they apply to Vinehealth
  Australia, including who are the beneficiaries of Vinehealth Australia's activities, who
  are the risk creators that drive the need for Vinehealth Australia's services, and
  outlines what would constitute efficient funding streams; and
- Phase 2 identified Vinehealth Australia's broad funding needs, options for contributions payable under the Act along with the mechanics of levy collection, and potential alternate funding sources to meet funding needs.

Deloitte has proposed provided to the Board of Vinehealth Australia recommendations regarding a funding solution. The Board of Vinehealth Australia is currently considering these recommendations.

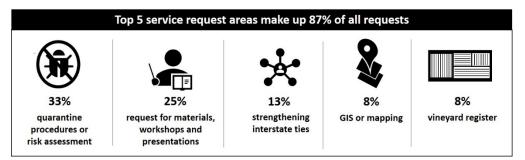
#### Initiative 12. Provision of assistance to the grape industry

During 2018-19, Vinehealth Australia has continued to be responsive to requests from industry within the remit of our Act, receiving 206 enquiries; a 44% increase on the previous year. Activities related to these requests included:

- 22 presentations to grower forums and conferences.
- General queries regarding the health of vines.
- 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).
- Production of buffer zone maps for the Loxton fruit fly outbreak to assist in identifying affected growers and wineries with whom to communicate movement requirements.
- Assistance to growers, wineries and contractors to interpret state Plant Quarantine Standards, entry conditions and the completion of associated documentation.
- Provision of best practice farm-gate hygiene tools, checklists, signage and disinfestation kits.

The Register has again proven invaluable during the 2019 vintage in assisting the Adelaide Hills Wine Region in particular in managing the timing of planned autumn prescribed burns by the Department of Environment and Water. Vinehealth Australia contacted growers within a 3km radius 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.

#### Breakdown of service requests in 2018-19.



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

#### Initiative 13. Enhanced governance across Vinehealth Australia operations

During 2018-19, Vinehealth Australia implemented key activities to improve governance across the organisation, including:

- Ongoing review and update of key organisational policies, procedures and delegation authorities.
- Legal clarification on the polices, guidelines and directives of the South Australian government that Vinehealth Australia needs to align with.
- Improved reporting to meet the Procurement Board of SA's requirements.
- Transition to a new external IT provider to ensure capacity and capability to meet Vinehealth Australia's current and future needs.
- Developed and implemented a new process to provide nominations for the Board to the Minister (pursuant to Section 5 (1) (b) (ii) of the Act) to align with good governance principles. A new Board Nominations Committee Charter provided structure for the process, including:
  - o The appointment of an Independent Chair.
  - Expanded membership of the Committee.
  - Criteria, qualifications and experience that the Committee should have due regard for in the selection of candidates to be nominated to the Minister.

#### 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 titled 'Strategic Plan: Towards 2020' 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 Australia has not received any public complaints in 2018-19.

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 Australia did not receive any public complaints in 2018-19, 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 2018-19

# PHYLLOXERA & GRAPE INDUSTRY BOARD OF SOUTH AUSTRALIA

**TRADING AS** 

"VINEHEALTH AUSTRALIA"

**FINANCIAL STATEMENTS** 

**FOR THE YEAR ENDED 30 APRIL 2019** 

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#### 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 2019, 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 2019 and of its financial performance for the year ended on that date; and
- (b) 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 2019, 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* 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

Mill

Perles Audit

South Australia 5063

Peter J Hill Director

Registered Company Auditor Dated this 31st day of July 2019

#### **Certification of the Financial Statements**

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

- have made reference to the Treasurer's Instructions issued under section 41 of the Public Finance and Audit Act 1987, comply with Australian Accounting Standards - Reduced Disclosure Requirements and the Phylloxera and Grape Industry Act 1995;
- 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
   2019 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 31<sup>st</sup> July 2019

Roseanne Healy Presiding Officer

31st July 2019

STATEMENT OF COMPREHENSIVE INCOME					
For the year ended 30 April 2019					
· · · · · · · · · · · · · · · · · · ·	Note	2019	2018		
		\$	\$		
Expenses					
Employee benefits expenses	3	428,813	421,997		
Supplies and services	5	549,866	423,120		
Depreciation and amortisation expense	6	25,460	22,020		
Other expenses	7	208,669	287,428		
Total expenses		1,212,808	1,154,565		
Income					
Revenues from fees and charges	8	745,372	747,692		
Grants	9	225,853	260,203		
Interest revenues	10	20,953	21,691		
Other income		51,613	40,454		
Total income		1,043,791	1,070,040		
Net result		(169,017)	(84,525)		
Other Comprehensive Income					
Total other comprehensive income			-		
Total comprehensive result		(169,017)	(84,525)		
The net result and total comprehensive result are attributable to the SA Government as					
owner					

STATEMENT OF FINANCIAL POSITION						
As at 30 April 2019						
	Nata	2010	2010			
	Note	2019 \$	2018 \$			
Comment accets		γ	Ş			
Current assets Cash and cash equivalents	11	1,269,200	1,190,371			
Receivables	12	830,361	1,020,326			
Total current assets	12	2,099,561	2,210,697			
Non-current assets		2,033,301	2,210,037			
Plant & equipment	13	19,603	25,056			
Intangible assets	14	19,884	34,956			
Total non-current assets		39,487	60,012			
Total assets		2,139,048	2,270,709			
Current liabilities			_,_, _, _,			
Payables	15	175,175	144,888			
Employee benefits	16	, 76,254	69,185			
Total current liabilities		251,429	214,073			
Non-current liabilities						
Employee benefits	16	-	-			
Total non-current liabilities		-	-			
Total liabilities		251,429	214,073			
Net Assets		1,887,619	2,056,636			
Equity						
Incursion fund	17	-	100,000			
Equity	18	1,887,619	1,956,636			
Total Equity		1,887,619	2,056,636			
The total equity is attributable to the SA Government as owner						
Unrecognised contractual commitments	19	109,098	188,741			
Contingent assets and liabilities	24	-	-			

STATEMENT OF CHANGES IN EQUITY					
For the year	ended 30 A	April 2019			
		Incursion fund	Equity	Total Equity	
	Note	\$	\$	\$	
Balance at 30 April 2017		100,000	2,041,161	2,141,161	
Total comprehensive result for 2017-18		-	(84,525)	(84,525)	
Balance at 30 April 2018		100,000	1,956,636	2,056,636	
Balance at 30 April 2018		100,000	1,956,636	2,056,636	
Total comprehensive result for 2018-19		-	(169,017)	(169,017)	
Transfer to equity		(100,000)	100,000	-	
Balance at 30 April 2019		-	1,887,619	1,887,619	

All changes in equity are attributable to the SA Government as owner.

STATEMENT OF CASH FLOWS				
For the year ended 30 April 2019				
	Note	2019	2018	
		\$	\$	
Cash flows from operating activities				
Cash outflows				
Employee benefits payments		(421,744)	(399,176)	
Payments for supplies and services		(785,768)	(635,326)	
Payments of grants and subsidies		(18,344)	(110,006)	
Cash (used in) operations		(1,225,846)	(1,144,508)	
Cash inflows				
Grower levies and charges		805,337	800,483	
Receipts from grants		378,438	266,223	
Interest received		20,953	21,691	
GST recovered from the ATO		53,269	42,693	
Other receipts		51,613	40,454	
Cash generated from operations		1,309,610	1,171,544	
Net cash provided by/(used in) operating activities		83,764	27,036	
Cash flows from investing activities				
Cash outflows				
Purchase of plant and equipment and software		(4,935)	(58,431)	
Cash (used in) investing activities		(4,935)	(58,431)	
Net cash (used in) investing activities		(4,935)	(58,431)	
Net increase/(decrease) in cash and cash equivalents		78,829	(31,395)	
Cash and cash equivalents at the beginning of the period		1,190,371	1,221,766	
Cash and cash equivalents at the end of the period	11	1,269,200	1,190,371	

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2019

#### 1. BASIS OF FINANCIAL STATEMENTS

#### 1.1. REPORTING ENTITY

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

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 with reference to section 23 of the *Public Finance and Audit Act 1987* and therefore do not include all disclosures and presentations required under that section.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and the *Phylloxera and Grape Industry Act 1995*.

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 2019.

#### 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	<b>2019</b> \$	2018 \$
Salaries and wages		366,732	351,708
Long service leave		2,448	3,729
Annual leave		12,435	18,578
Employee on-costs-superannuation*		36,082	32,576
Employee on-costs - workers compensation		1,419	1,825
Board fees		8,152	10,798
Other employee related expenses		1,545	2,783
Total employee benefits expenses		428,813	421,997

<sup>\*</sup>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 KEY MANAGEMENT PERSONNEL

Remuneration of key management personnel 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 \$320,009 (2018: \$297,546)

#### 4. REMUNERATION OF BOARD

Members during the 2019 financial year and up to the date of signing the financial statements were:

Board of Directors				
Ms Roseanne Healy (Presiding Member 9	Mr Geoff Raven (resigned 27 August 2018)			
September 2016 to current)				
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	Mr Ross Meffin (29 October 2018)			

The number of members whose remuneration received or receivable falls within the following bands:	2019	2018
\$0 - \$9 999	6	7
Total number of members	6	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 \$11,034 (2018: \$14,469).

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 2019 (2018: nil).

#### 5. SUPPLIES AND SERVICES

	<b>2019</b> \$	<b>2018</b> \$
Information technology expenses	60,603	55,230
Board expenses	6,645	7,062
Operating lease minimum payments	23,394	19,047
Consultants*	123,664	25,129
Project expenses	217,993	214,946
Heat shed expenses	9,151	6,347
Stakeholder communications and engagement	101,776	95,359
Total supplies and services	543,226	423,120

<sup>\*</sup> Increase in consultant expenses from 2018 to 2019, primarily due to costs associated with independent consultant contracted to undertake review of contributions payable under the *Phylloxera and Grape Industry Act 1995*.

#### **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.	2019 \$	NO.	<b>2018</b> \$
Below \$10 000	3	24,224	1	7,856
Above \$10 000	1	99,440	1	17,273
Total paid /payable to the consultants engaged	4	123,664		25,129

#### 6. DEPRECIATION AND AMORTISATION EXPENSE

	2019 \$	2018 \$
Depreciation and amortisation	·	·
Plant and equipment	10,388	11,404
Intangible assets	15,072	10,616
Total depreciation and amortisation	25,460	22,020

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

	<b>2019</b> \$	<b>2018</b> \$
Other expenses		
Plant and equipment write-offs	-	14,228
Office rent and amenities	49,196	51,206
Accounting and audit	51,182	39,390
PBCRC Participants Agreement – contractual commitments*	16,667	100,005
FBT and bank charges	19,102	19,148
Other	72,522	63,451
Total other expenses	208,669	287,428

<sup>\*</sup>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	<b>2019</b> \$	2018 \$
Grower levies	742,302	742,587
Penalties	3,070	3,950
Other fees and charges	-	1,155
Total fees and charges	745,372	747,692

#### 9. GRANT INCOME

	<b>2019</b> \$	2018 \$
Grants	•	<b>y</b>
GWRDC DNA Research	-	25,335
PBCRC DNA Research	43,711	150,868
Other Grants	182,142	84,000
Total grant income	225,853	260,203
10. INTEREST REVENUE		
	<b>201</b> 9 \$	2018 \$
Interest	20,953	21,691
Total interest revenues	20,953	21,691
11. CASH AND CASH EQUIVALENTS		
	<b>2019</b> \$	<b>2018</b> \$
Cash at bank	1,269,200	1,190,371
Cash on hand		
Total cash and cash equivalents	1,269,200	1,190,371

#### 12. RECEIVABLES

	2019 \$	2018 \$
Current		
Receivables		
- Trade debtors	9,554	130,000
- Current year levies	742,302	742,587
<ul> <li>Previous years' levies and penalties not received</li> </ul>	54,430	110,332
Total receivables	806,286	982,919
Less allowance for doubtful debts	-	-
Prepayments	7,174	18,331
Accrued Income	1,693	1,666
GST input tax recoverable	15,208	17,410
Total current receivables	830,361	1,020,326

Receivables in relation to current year levies are invoiced yearly in arrears at the end of the financial year (30 April 2019), and therefore have not been received at 30 April 2019.

At the date of signing the financial statements \$140,581 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. Interest will also be imposed on unpaid 2018-19 levies in the 2020 financial year.

#### 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	<b>2019</b> \$	<b>2018</b> \$
Plant and equipment at cost	74,414	69,479
Accumulated depreciation at the end of the period	(54,811)	(44,423)
Total plant and equipment	19,603	25,056

#### 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 2019.

#### 13.3. RECONCILIATION OF PLANT AND EQUIPMENT DURING 2018-2019

	Plant and equipment \$	Total \$
Carrying amount at the beginning of the period	25,056	25,056
Acquisitions	4,935	4,935
Disposal e.g. sales, write off	(4,034)	(4,034)
Depreciation	(6,354)	(6,354)
Carrying amount at the end of the period	19,603	19,603

#### 13.4. RECONCILIATION OF PLANT AND EQUIPMENT DURING 2017-18

	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

#### **14. INTANGIBLE ASSETS**

Computer Software	<b>2019</b> \$	2018 \$
Computer software at cost	50,628	50,628
Accumulated amortisation at the end of the period	(30,744)	(15,672)
Total intangible assets	19,884	34,956

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 2019.

#### 14.2. RECONCILIATION OF INTANGIBLE ASSETS DURING 2018-19

	Computer Software \$	Total \$
Carrying amount at the beginning of the period	34,956	34,956
Acquisitions	-	-
Amortisation	(15,072)	(15,072)
Carrying amount at the end of the period	19,884	19,884

#### 14.3. 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

#### 15. PAYABLES

	<b>2019</b> \$	2018 \$
Current		
Creditors	38,682	74,399
Accrued expenses	65,089	12,504
Grants in advance	33,502	24,360
Levies in advance	8,734	9,300
Employee on-costs*	29,168	24,325
Total current payables	175,175	144,888

<sup>\*</sup> 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	<b>2019</b> \$	2018 \$
Accrued salaries and wages	-	7,814
Annual leave	59,866	47,431
Long service leave	16,388	13,940
Total current employee benefits	76,254	69,185
Non-current		
Long service leave	-	<u>-</u>
Total non-current employee benefits	-	-
Total employee benefits	76,254	69,185

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

	<b>2019</b> \$	<b>2018</b> \$
	-	100,000
Total incursion fund	-	100,000

The balance of the Incursion Fund was transferred to equity during the 2019 financial year.

#### **18. EQUITY**

	2019 \$	<b>2018</b> \$
Total equity	1,887,619	1,956,636

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;
- 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; and
- All provisions contained in the balance sheet 2019-20.

#### 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

	<b>2019</b> \$	<b>2018</b> \$
Within one year	-	16,667
Later than one year but not longer than five years		-
Later than five years	-	-
Total other commitments	-	16,667

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

	<b>2019</b> \$	2018 \$
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	58,534	61,542
Later than one year but not longer than five years	50,565	110,532
Later than five years	-	-
Total operating lease commitments	109,098	172,074
Representing:		
Cancellable operating leases	-	-
Non-cancellable operating leases	109,098	172,074
Total operating lease commitments	109,098	172,074

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	2019 Carrying amount / Fair value (\$)	2018 Carrying amount / Fair value (\$)
Financial assets			
Cash and cash equivalents	11	1,269,200	1,190,371
Loans and receivables			
- Receivables	12	830,361	1,020,326
Total financial assets		2,099,561	2,210,697
Financial liabilities			
Financial liabilities at cost			
- Payables	15	175,175	144,888
Total financial liabilities		175,175	144,888

#### 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: Vinehealth Australia 'Strategic Plan: Towards 2020'











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.<sup>1</sup>

### A Visionary Legacy

**S**outh 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

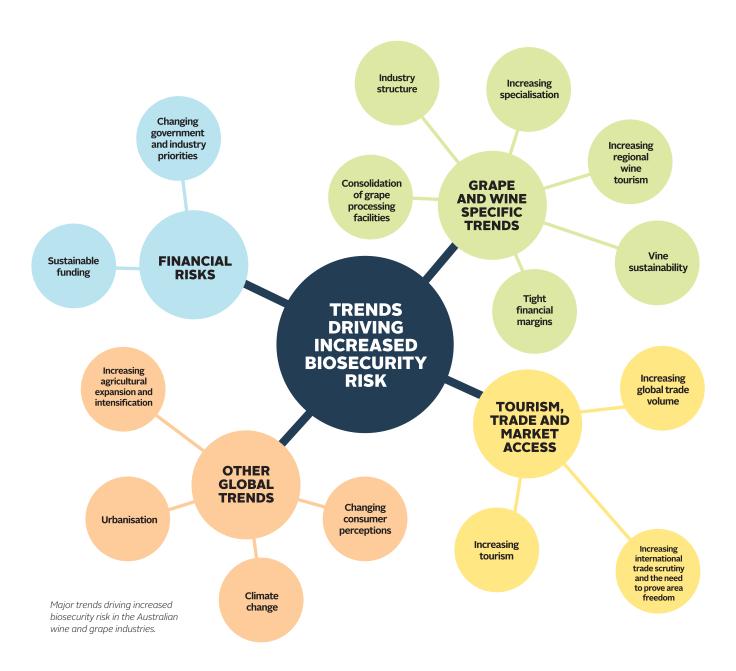
#### **GRAPE AND WINE PRESSURES**

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)<sup>3</sup>
  - 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

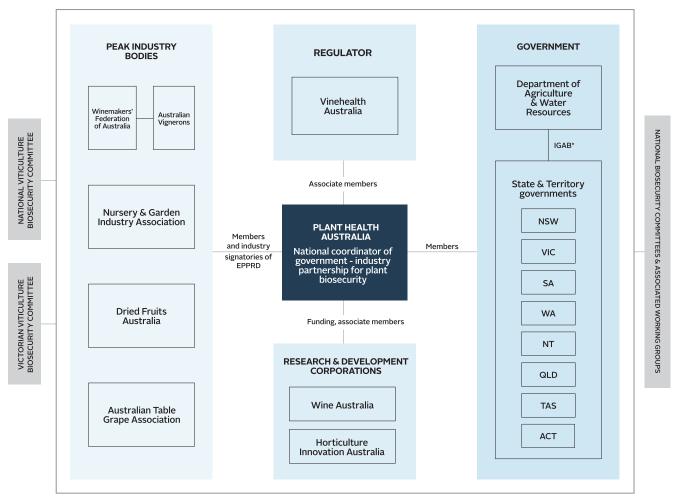
- Australian economy
- The South Australian wine industry has 57% of the national vineyard area planted to winegrapes, with 3,360 growers. It is worth \$2.11 billion to the state's economy, with exports of 490 million litres worth \$1.3 billion.
- Australian table grape industry (2015-16)4
  - 178,595 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.

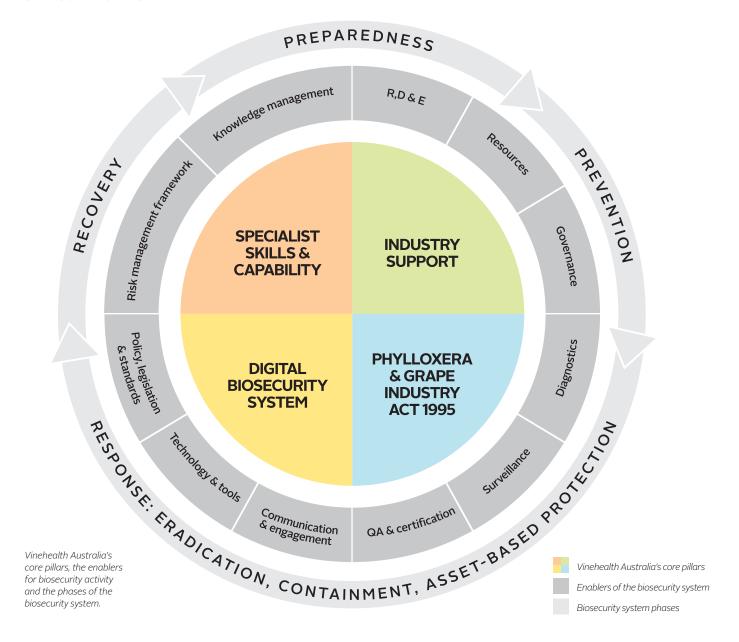
#### **Vinehealth Australia Primary Functions**

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. <sup>2</sup>

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

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

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

Build a mature business model for Vinehealth Australia.

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



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