



**Murray Valley Wine Grape
Industry Development Committee**

Annual Report 2014-2015

Supporting Services of Value to Wine Grape Growers

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REPORT OF OPERATIONS

SECTION 1: YEAR IN REVIEW

1. Chair's Report

The Murray Valley Wine Grape Industry Development Committee (the IDC) remains in good financial health. Continued investment into ongoing projects has provided growers with information and services through the publications, fact sheets, newsletters and industry presentations (eg. Quarterly MVW News and Views) and the efforts of the Industry Development Officer (IDO), Liz Singh (resigned Feb 2015) and David Coombes (commenced April 2015). In a prolonged and difficult time for the industry our Committee has done a great job in providing much needed services to growers through the administration and management of grower levies by the IDC. My thanks to Mike, Brian, Helen, Liz and David at Murray Valley Winegrowers Inc.

During 2014-15 the IDC welcomed a new Victorian Government Committee Representative, Mara Putnis. We continue to seek industry nominations from those who would be willing to be nominated as future vacancies arise.

The composition of the IDC for 2014-2015 was as below;

John Ward	Chair & Victorian Grower Representative
Andrew Murdoch	Deputy Chair New South Wales Grower Representative
Adrian Thompson	Victorian Grower Representative
Anne Mansell	Industry Representative
David Dawes	New South Wales Grower Representative
Jan O'Connor	Victorian Grower Representative
Rachael McClintock	Industry Representative
Amanda Clark	Victorian Government Representative (resigned 12 March 2015)
Mara Putnis	Victorian Government Representative (appointed by Minister 5 May 2015)
Murray Spicer	New South Wales Government Representative

As has been the case in previous reports, I regret to report that the number of growers continues to fall in the Murray Darling and Swan Hill growing regions. Total registered growers have decreased from over 1,300 six years ago to approximately 440 at 30 June 2015. Grower prices have continued to decline in the last vintage, while the number of winery contacted growers also is reducing.

Wine grape production for the 2015 Vintage in the Murray Darling & Swan Hill reduced by approximately 8% in 2015 compared to 2014, with total tonnes crushed (including winery grown fruit) estimated at 382,000 tonnes.

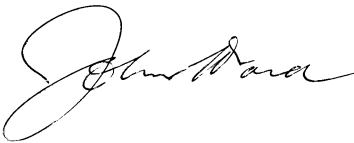
During the year the IDC has contributed to a number of government initiatives implemented to support wine grape growers. In June 2015 the Chair met with Senator Bridget McKenzie and discussed a number of issues which are contributing to the low returns to growers, and reasons why large commercial wineries are reducing their intake of wine from Murray Darling and Swan Hill regions. Winery intake from independent growers dropped 14% for the 2015 vintage compared with 2014 vintage. Industry representatives predict this trend will continue to drop under current conditions. Small winery operators are offered subsidies (eg. the Commonwealth WET tax) to process and sell wine into the local domestic market. Those operators receiving the WET tax subsidy are making it very difficult for un-subsided wineries to compete on the local market. Therefore, adversely affecting growers' prices offered by wineries.

Recently, the IDC was asked to comment on the new Wine Industry Ministerial Advisory Committee - Terms of Reference. As highlighted by the Murray Darling's grower statistics, sustainability is the major concern for Murray Valley and Swan Hill winegrape growers. Over the last decade grower relationships with wineries have deteriorated and wineries are cancelling more and more long-term supply contracts leaving growers with very little or no financial security. Many growers have exhausted their financial reserves and are being forced out of the industry. The IDC continues to operate within the Order and encourages growers to

contribute to the voting process by returning the voting papers to decide the projects to be approved. The projects completed in 2014-2015 and those approved for 2015-2016 are listed under the Secretary's report in the Year in Review. For full details go to the industry website at www.mvwi.com.au.

For the 2015-16 project year there were a total of 56 project voting forms returned (13% of total growers). All grower votes were registered prior to the AGM meeting and a final outcome was presented at the AGM. There was an average 'Yes' approval vote of 92% across all projects presented to growers to vote on. The lowest acceptance vote was the Spray Diary, 84% and the highest acceptance votes were Industry Development Officer 96%, Wine Crush Survey 95% and Grower Liaison 95%.

Our thanks as a committee go to Karen Hensgen, Secretary to the IDC. During the year Karen has continued to communicate regularly with the IDC through the monthly administration report pack. As a Committee we rely on our corporate secretarial support and appreciate the effort that Karen puts in on behalf of Crowe Horwath.



JOHN WARD

CHAIR

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE

2. Manner of Establishment and Responsible Ministers

The Murray Valley Wine Grape Industry Development Committee (herein the IDC) is a statutory organisation established under the *Agricultural Industry Development Act 1990*, which collects and expends wine grape levies to support the Murray Darling and Swan Hill wine region growers on projects that provide value, education and growth to the industry.

The responsible Ministers during the 2014-15 reporting period were:

- the Hon Peter Walsh MLA, Minister for Agriculture and Food Security for the period from 1 July 2014 to 3 December 2014; and
- the Hon Jaala Pulford MP, Minister Agriculture for the period from 4 December 2014 to 30 June 2015.

The levy funded projects and services are required to be regionally specific and targeted for the benefit of wine grape growers. The IDC's charter is to develop, in consultation with growers, strategically focussed and prioritised projects to address regional needs, as well as complement the national initiatives of the Australian Grape and Wine Authority.

3. Nature of and Range of Services, Objectives and Functions

The IDC's operating structure is defined in the Operations Plan. The Operations Plan is a four year rolling plan, which is prepared in accordance with the *Murray Valley Wine Grape Industry Development (Extra-Territorial) Order 2008* (the Order). This Order is made under the above Act and effectively establishes the IDC.

The current Operations Plan was approved by the IDC, Industry Representatives and grower members on the 27th of June 2013. The IDC is confident it is achieving its objectives as outlined in the *Agricultural Industry Development Act 1990*.

The objective of the IDC is to collect and expend wine grape levies to support the Murray Darling and Swan Hill wine region growers on projects that provide value, education and growth to the industry.

The levy funded projects and services are required to be regionally specific and targeted for the benefit of wine grape growers. The IDC's charter is to develop, in consultation with growers, strategically focussed and prioritised projects to address regional needs, as well as complement the national initiatives of the Grape and Wine Research and Development Corporation.

At the end of each year, the Operations Plan is reviewed to monitor progress, evaluate outcomes, modify and refine future projects, and establish priorities for the following year.

4. Vision, Mission & Values

By 2017, the Murray Valley Wine Grape Industry Development Committee will have contributed to a more profitable, viable and sustainable wine industry through:

- Its investment in the development of accurate regional forecast figures
- More informed and involved growers
- Continued development of innovative and cutting edge vineyard management practices.

The IDC under 'the Order' will collect grower levies and invest in projects that develop and support a sustainable wine grape industry in the Murray Darling and Swan Hill regions.

Operational Goals

The Key Goals to achieve this vision are:

- Goal 1:** Encourage and support research, development, extension and adoption of improved viticultural practices for the Murray Darling and Swan Hill regions.
- Goal 2:** Provide growers with accurate supply, demand and cost of production information to enable informed business decisions.
- Goal 3:** Identify and support grower skills improvement programs.
- Goal 4:** Encourage the participation of growers in all industry information forums.
- Goal 5:** Encourage growers to participate in regional industry organisations and support grower representation in state and national industry forums.

Operational Guidelines (scope)

The IDC will;

1. Hold its meetings in Mildura.
2. Meet 4 times per year (more or less as required).
3. Engage a secretary part time to support the IDC.
4. Review the Operational Plan and guidelines annually.
5. Continue to manage its budget responsibility in line with best commercial practices and statutory requirements.

5. Structural changes to the IDC during 2014-15

There were no significant structural changes to the IDC during the 2014-15 financial year.

SECTION 1: YEAR IN REVIEW

6. Current Year Financial Review and 5 Year Summary

Table 1: Five year Summary

	2015	2014	2013	2012	2011
	\$	\$	\$	\$	\$
Revenue from statutory levy	398,370	445,894	405,599	261,145	411,614
Return of unspent project funds prior year	16,722	-	-	-	-
Other revenue	5,912	9,322	9,991	13,242	16,582
Total revenue	421,004	455,216	415,590	274,387	428,196
Expenses	-480,469	-463,446	-387,280	-395,197	-337,509
Net Operating Result	-59,465	-8,230	28,310	-120,810	90,687
Net Cash Flow from operations	-58,827	-15,377	155,226	-161,898	134,367
Total Assets	279,889	338,647	351,392	196,873	356,943
Total Liabilities	133,225	153,319	137,033	10,824	50,084

Further details regarding the financial results are provided on within the detailed Financial Statements.

Table 2: Approved Project and Levies 2009 to 2014

	2014-15	2013-14	2012-13	2011-12	2010-11
	\$	\$	\$	\$	\$
Total Approved Project costs	\$498,435	\$491,147	\$382,247	\$391,586	\$350,853
Compulsory levy remitted	\$398,370	\$445,894	\$405,599	\$324,480	\$349,372
Actual tonnes to date	318,696	356,715	324,480	259,903	279,498
Projected levy	\$425,000	\$387,500	\$312,500	\$337,500	\$350,000
Projected tonnes	340,000	310,000	250,000	270,000	280,000

Operational and budgetary objectives and performance against objectives

At all Committee meetings, the financial presentation includes a budget comparison against actual expenditure. All levy funded projects are expensed exactly to budget while operating expenditures are monitored to ensure they remain affordable to the IDC. At a qualitative level, the IDC makes recommendations to the service providers to ensure that projects deliver results as desired to the growers.

A project reporting framework ensures service providers report to the IDC on the current status of approved projects. Project reporting includes:

- Quarterly financial report highlighting actuals expenses to date and budget remaining.
- Quarterly performance report with current project outcomes and percentage complete.
- Year-end reconciliation report identifying projects carried over to the following year and unspent project funds.

SECTION 1: YEAR IN REVIEW

Current year financial review

During 2014-15 grower levies of \$398,370 (318,696 tonnes @ \$1.25) were received from wineries. This was \$47,524 levies income (38,019 tonnes) less than received in 2013-14. Projected grower levies for 2014-15 were \$425,000 (340,000 tonnes). Actual grower levies compared to projections were \$26,630 (21,304 tonnes) less. This shortfall to budget was compensated by a return of \$16,722 from project consultants for unspent project funds from prior financial years for projects that came under budget. The IDC planned for a negative operating result in October 2013 when it approved 2014-15 project spending and a reduction in cash reserves from approximately \$140,000 to \$80,000.

For the year ended 30 June 2015, the IDC funded all 2014-15 approved projects and achieved a surplus of \$7,496 the IDC administration budget (Table 3). Total estimated project costs include the cost of administrating the IDC operations. Any surpluses from the IDC budget is retained in the IDC's reserves to be utilised in project spending for future periods. Any underspends by service providers is returned to the IDC and invested until future projects are approved by growers. For 2014-15 there was a project underspend of \$10,520. These Project funds have been recognised in the financials as a debtor (project consultant) and reduction in expenditure for the various projects (Table 3).

Every year prior to project voting the IDC calculates the available funds for project spending, this is estimates two factors:

- Uncommitted cash reserves
- Estimated winery tonnages

In October 2014, the IDC agreed to a minimum uncommitted cash reserves at \$80,000 and estimated winery tonnages at 320,000 for 2015-16. Approved project expenditure for 2015-16 was decreased by \$73,739 compared to 2014-15 (Table 3) to ensure cash reserves are maintained. Project voting resulted in 96% of growers approving the IDC maintain this level of reserves. A detailed summary of all projects approved by grower voting for the 2015-16 is provided in Table 4.

Table 3 Approved Projects Funding

	2015-2016 Approved \$	2014-2015 Actual \$	2014-2015 Approved \$
Advancing Vineyard Technology	-	21,850	21,850
Albert Heslop Memorial Travelling Bursary	2,200	-	-
Bio-security Management (State)	7,582	9,776	9,776
Economic Benchmarking	-	4,923	10,976
Grower Communications	69,608	68,646	71,657
Industry Development Committee - Administration	80,672	75,004	82,500
Industry Development Officer	106,076	105,139	105,139
Information Collection & Database management	36,237	43,608	43,712
National Biosecurity Program	16,875	-	-
Post-Harvest Grower Consultations	-	8,769	10,120
Wine Grape Industry Development	71,080	72,795	72,795
Spray Diary	2,812	3,325	3,325
Sulphur in the vineyard	-	12,650	12,650
Water Policy & Program Engagement	-	12,880	12,880
Weather Station Maintenance	11,250	19,550	19,550
Winegrape Crush Survey	13,212	12,650	12,650
Winery-Grower Liaison	7,092	8,855	8,855
Total (GST exclusive)	424,696	480,420	498,435

SECTION 1: YEAR IN REVIEW

Table 4 Summary of Projects to be funded 2015-2016

Project	Results
<p>Albert Heslop</p>	<p>The Bursary was established by the Murray Darling Foundation in memory of Albert Heslop, State viticulturist, Councillor of Swan Hill Rural City and Life Member of the Murray Darling Association. Albert was always encouraging and assisting horticultural production and market opportunities in the Murray Darling & Swan Hill, particularly the introduction of new horticultural crops as well as the development of industry people and their emerging enterprises.</p> <p>This bursary aims to attract younger applicants (aged 18 - 35 years) who want to advance themselves, their enterprise and their industry.</p> <p>The major focus of the bursary is on the introduction of new crops and the development of industry people and their emerging or further developing enterprises.</p> <p>Applicants for this bursary are sought from the NSW shires of Wakool, Balranald, Broken Hill, Central Darling and Wentworth, and Victoria's Shire of Gannawarra and rural cities of Swan Hill and Mildura.</p> <p>The applicants are required to complete a short application outlining an itinerary to enhance their experiences; what motivates them to personally achieve; and how the bursary will enhance their involvement, a contribution to their industry and their region. The focus should be on visiting other areas within Australia - suggest one or two visits.</p>
<p>Biosecurity Management</p>	<p>While regarded as a potential low-level host of Queensland Fruit Fly (QFF), the region's wine grape growers have been caught-up in quarantine restrictions imposed following QFF outbreaks. As a consequence MVW (MVW) is now directly engaged in fruit fly management on behalf of its growers, communicating eradication strategies and fruit movement protocols whenever outbreaks occur.</p> <p>Governments now expect the horticulture sector to play a greater role in pest and disease prevention and eradication, meaning that MVW is called on to represent growers' interests in this area of management and control.</p> <p>MVW is required to provide a delegate to the Victorian Viticulture Biosecurity Committee which, while having a primary focus on phylloxera containment, is also involved in vineyard biosecurity management relating to all exotic vine pests.</p> <p>The development of regional and state biosecurity protocols, the need for harmonization of fruit movement protocols for fruit shipments into South Australia and the declaration of western Victoria as a Phylloxera Exclusion Zone (PEZ) mean that MVW must remain involved in policy-setting forums and communication programs.</p>

Project	Results
Grower Communications	<p>This project centres on the production of four editions of the newsletter <i>Murray Valley Winegrowers Grapevine</i>, mailed to all growers in the Murray-Darling and Swan Hill wine regions. This newsletter of up to 20 pages provides growers with news on market trends and prices, export and domestic sales, industry developments and viticulture management. The project "Grower Communications" is submitted to growers for consideration every year.</p>
Industry Development Committee - Administration	<p>The administration function of the Murray Valley Wine Grape Industry Development Committee ensures that all accounting, secretarial and statutory requirements are met.</p>
Industry Development Officer (IDO)	<p>The Industry Development Officer (IDO) provides project and extension services - on the ground and through communication channels such as grower forums, MVW News & Views and Easy Update.</p> <p>The role of the IDO is as follows:</p> <ul style="list-style-type: none"> • Arrange and conduct workshops, seminars, grower groups, vineyard walks and trials; • Facilitate grower meetings for the purpose of establishing research and extension priorities; • Identify regional research and development priorities for project funding consideration by the Murray Valley Wine Grape Industry Development Committee and Australian Grape and Wine Authority (AGWA); • Manage the delivery of IDC and AGWA funded projects, and provide acquittal reports; • Liaise with regional industry groups to ensure delivery of appropriate programs; • Respond to grower technical queries; • Attend and contribute to relevant industry events that assist in MVW staying at the leading edge of new viticultural practices, and communicating these to growers; • Prepare and source articles for MVW News & Views and MVW Easy Update, and publish Technical Fact Sheets for growers; • Liaise with other regional IDOs on matters of common interest; • Liaise with relevant NSW and Victorian departments, including the Victorian Department of Primary Industries and Horticulture Industry Network; • Arrange and conduct grower meetings on specific seasonal issues as required.
Information Collection & Database Management	<p>This is another project that is submitted to the IDC and growers every year, which reflects the importance to growers keeping up to date with the key issues and developments that shape their industry.</p> <p>Industry-relevant information is collected and disseminated to assist in vineyard management and decision-making. A major source of information is the annual Wine Grape Crush Survey Report, which gives growers the facts of each harvest – the varieties, the tonnes, the average prices, the trends and production projections. The IDC funding gives MVW the means to provide input to the process and publish the annual results.</p> <p>Other information that was collected and disseminated to growers came through MVW with the Australian Grape & Wine Authority (AGWA), Australian Bureau of Agricultural and Resource Economics, Australian</p>

Project	Results
	<p>Bureau of Statistics and industry publications.</p> <p>An important activity included in this project is the “database survey”, an annual undertaking that provides up-to-date grower information for the purpose of database management.</p>
<p>National Biosecurity Program</p>	<p>Wine Grape Growers Australia (WGGA) has responsibility for development of a national biosecurity program on behalf of the Australian wine sector.</p> <p>All state and territory governments and 29 national horticulture industry bodies, including WGGA, are signatories to the Government and Plant Industry Cost Sharing Deed in Respect of Emergency Plant Pest Responses.</p> <p>In the event of a plant pest emergency, parties to the deed share in the decision-making and cost of implementing a response plan. Part of the decision is the cost-sharing proportions between government and industry for different pest or disease incursions.</p> <p>The wine grape sector across Australia is covered by the deed through WGGA's status as a deed signatory.</p> <p>Signatories have obligations under the deed. For example, in 2014 WGGA allocated funds to accelerate development of a National Vine Biosecurity Management Program, which it had agreed to do on behalf of the Australian wine sector.</p> <p>The next essential steps are development of a strategic plan and business case for long-term funding of national vine biosecurity arrangements. To enable this to be done, WGGA requires funding from industry-associated government agencies and industry bodies, including those representing other grape industries.</p>
<p>Wine Grape Industry Development</p>	<p>Wine grape production in the Murray Darling & Swan Hill NSW/VIC (incorporating the Murray-Darling and Swan Hill wine regions) contributes more than 20% of the national harvest, and its important that it contributes effectively to national industry affairs and reflects the regional position. This is done mainly through involvement with Wine Grape Growers Australia. Through the year Wine Grape Growers Australia represented the interests of Murray Darling & Swan Hill growers at forums and programs conducted by the Wine Grape Growers Australia (WGGA), Plant Health Australia and Federal Department of Agriculture.</p> <p>This project also allows input to policy matters regarding bio-security in Victoria and New South Wales.</p>
<p>Spray Diary</p>	<p>The availability of electronic spray diaries format has, for many growers, eliminated the need for a hard copy spray diary. However, grower demand still exists, resulting in Murray Valley Winegrowers Inc. annually providing up to 200 copies on request. This project provides a service to growers who do not have a permanent home for their fruit and are required by law to maintain a chemical spray record.</p>

Project	Results
<p>Weather Station Maintenance</p>	<p>There are currently eight weather stations located in the Murray Darling & Swan Hill logging temperature, rainfall, relative humidity and leaf wetness. The data from the weather stations is displayed in real time on the MVW website at www.mvwi.com.au with the use of software created and maintained by Magarey Plant Pathology.</p> <p>The Model-T weather stations also run a disease model for downy mildew and MVWI is currently in the process of validating data from a botrytis disease model that will run as part of the system. The ability to access these disease models gives growers the opportunity to assess and manage the risk of disease to their own crops.</p> <p>The weather station network requires yearly servicing / maintenance, daily conductivity for data access and a service fee for access to the software to run the data in real time. Data is verified by a plant pathologist following a disease model indicator and information is sent to growers via email.</p> <p>This project aims to maintain grower access to the data and disease indicators produced by the weather station network.</p>
<p>Winegrape Crush Survey 2015 Vintage</p>	<p>The Wine Grape Crush report for the Murray-Darling and Swan Hill wine regions have been a fixture of harvest reporting for many years. It is the means by which data is collected after every harvest to inform growers of tonnes crushed by variety, average prices and overall value. It also provides an historical record of production for the two regions</p> <p>Murray Valley Winegrowers Inc. (MVW) manages the process, which includes the appointment of independent external consultants who source and compile harvest information. This task for the 2014 harvest was completed by the Mildura-based business advisory firm Crowe Horwath.</p> <p>All wineries known to have purchased fruit from either the Murray-Darling and Swan Hill regions contribute harvest data on a voluntary and confidential basis.</p>
<p>Winery-Grower Liaison</p>	<p>Growers have established several committees for the purpose of improving liaison and communications with the wineries that purchase most of the fruit in the Murray-Darling and Swan Hill regions. These “Grower-Winery Liaison Committees” have been established in association with Treasury Wine Estates, Accolade Wines and Pernod Ricard. MVW acts as the secretariat for each of the IDCs.</p> <p>Through these committees, growers provide input and feedback on issues concerning winery policies, programs and actions to help improve vineyard management and grower-winery relationships.</p>

SECTION 1: YEAR IN REVIEW

7. Significant Changes in Financial Position

There were no significant changes or factors which affected our performance during the reporting period.

8. Capital Projects

Murray Valley Wine Grape IDC does not manage any capital projects.

9. Subsequent Events

There were no events occurring after balance date which may significantly affect Murray Valley Wine Grape IDC operations in subsequent reporting periods.

10. Major Changes or Factors Affecting Performance

There were no operational factors that impacted on the IDC's ability to perform its duties to collect and expend wine grape levies during the year 2014-15.

SECTION 2: GOVERNANCE AND ORGANISATIONAL STRUCTURE

1. Organisational Structure

The IDC does not employ any staff directly. The Industry Development Officer is funded by the IDC, but is employed by Murray Valley Winegrowers Inc.

In order to execute the projects in accordance with budget and objectives, the IDC contracts with a service provider. The contract (Service Agreement) outlines appointment conditions, payment terms, property rights, confidentiality, subsequent income, inputs, administration and termination of projects undertaken.

2. Names and Area of Responsibility of Senior Officers

Industry Development Officer

Industry Development Officers have proven to be a real asset to the industry. David Coombes is responsible for enquiries from growers regarding technical issues and will organise many growers groups, field days, seminars and other activities for the industry.

Contact details for David Coombes the Industry Development Officer for viticulture related assistance

David Coombes - Industry Development Officer
Address: 62 Madden Ave Mildura Vic
Post: PO Box 2745, Mildura VIC 3502
Phone: (03) 5021 3911
Fax: (03) 5023 2335
E-mail: david@mvwi.com.au

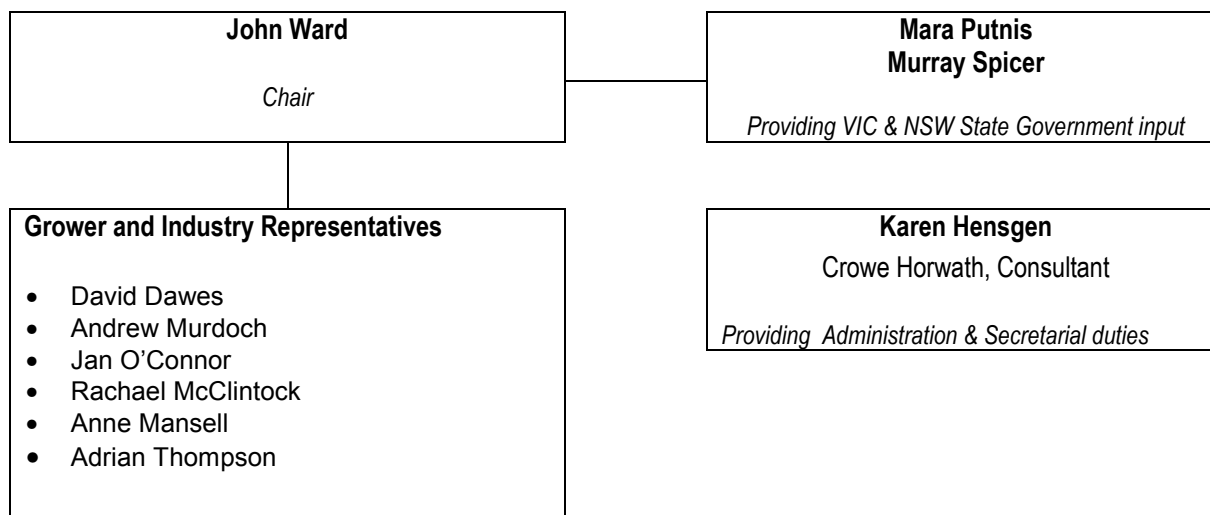
Administration

Administration of the IDC is contracted to Crowe Horwath of Mildura. All communication and enquiries regarding voting or administration of levy funds should be directed to:

Karen Hensgen - MVWGIDC Secretary
C/- Crowe Horwath
Address: 133 Langtree Ave Mildura Victoria
Post: PO Box 3232 Mildura Vic 3502
Phone: 03 5023 9700
Fax: 03 5021 1430
Email: karen.hensgen@crowehowarth.com.au

SECTION 2: GOVERNANCE AND ORGANISATIONAL STRUCTURE

Organisational Chart



3. Governing Board

The IDC is led by the Chairperson who reports to the wine grape growers of the Murray Darling & Swan Hill regions. The IDC consists of Victorian and NSW grower representatives, Industry representatives and Victorian and NSW government representatives. As at 30th June 2015 current members are as below. You are encouraged to contact any of the IDC if you have any industry development concerns or suggestions

John Ward	Chair & VIC Grower Representative
David Dawes	NSW Grower Representative
Andrew Murdoch	NSW Grower Representative
Jan O'Connor	Vic Grower Representative
Mara Putnis	Vic Government Representative
Rachael McClintock	Industry Representative
Anne Mansell	Industry Representative
Murray Spicer	NSW Government Representative
Adrian Thompson	Vic Grower Representative

4. Occupational Health and Safety

The IDC complies with all Occupational Health and Safety (OH&S) guidelines and provides a safe environment for all IDC members to hold meetings. The IDC does not employ staff and therefore does not have a requirement to maintain OH&S policies, commitments and training programs

SECTION 3: WORKFORCE DATA

1. Statement of Workforce Data and Merit and Equity

The IDC does not employ any staff and does not require any implement any employment policies with respect to values and employment principles or provide data on Executive officers.

2. Public Administration Values and Employment Principles

The *Public Administration Act 2004* outlines the values and employment principles that guide behaviour in the public sector organisation. In 2014-15, the IDC demonstrated its commitment to the Victorian Public Sector values of upholding public sector conduct, managing and valuing diversity, managing underperformance, reviewing personal grievances and selecting on merit.

3. Executive Officers disclosures

There were no persons who held a position of Executive Office as defined by the Public Administration Act 2004 during the financial period. Amounts relating to the Chair and other Committee members are disclosed in Note 15 of the Financial Statements.

4. Employment and Conduct Principles

The IDC ensures that all officers comply with the Victorian Code of Conduct and that its workplace is free of policies and practices that discriminate against staff.

SECTION 4: OTHER DISCLOSURES

1. Victorian Industry Participation Policy Disclosures

The Victorian Industry Participation Policy Act 2003 requires departments and public sector bodies to report on the implementation of the Victorian Industry Participation Policy (VIPPP). Departments and public sector bodies are required to apply VIPPP in all procurement activities valued at \$3 million or more in metropolitan Melbourne and for statewide projects, or \$1 million or more for procurement activities in regional Victoria.

The IDC does not have any services provided at a cost of \$1 million or more during the 2013-14 financial year.

2. Consultancies

Details of consultancies (valued at \$10 000 or greater)

In 2014-15, there was one consultancy where the total fees payable to consultants was \$10 000 or greater. The total expenditure incurred during 2014-15 in relation to this consultancy was \$44,276 (excl. GST).

Details of individual consultancies are outlined on Murray Valley Wine Grape Industry Development Committee's website, at www.mvwi.com.au.

Details of consultancies (valued at less than \$10,000)

In 2014-15, there were no consultancies valued under \$10,000.

3. Major Contracts

Murray Valley Wine Grape Industry Development Committee did not award any major contracts (valued at \$10 million or more) during 2014-15.

4. Government Advertising Expenditure

Murray Valley Wine Grape Industry Development Committee's expenditure in the 2014-15 reporting period on government campaign expenditure did not exceed \$150,000.

SECTION 4: OTHER DISCLOSURES

5. Freedom of Information Act 1982

During 2014-15 the IDC did not receive any requests for access to documents under the *Freedom of Information Act 1982*. Requests for information should be directed to the IDC Secretary, Karen Hensgen, 03 5023 9700 or Karen.hensgen@crowehorwath.com.au. Fees payable will be set in accordance with the application fee and access charges as disclosed on the Victorian Freedom of Information website www.foi.vic.gov.au.

Current charges are:

Application fee: \$27.20 (non-refundable unless fee is waived, published July 2015)
Access charges: As detailed on the Victorian Freedom of Information website

6. Compliance with Building Act 1993

Murray Valley Wine Grape Industry Development Committee does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the *Building Act 1993*.

7. National Competition Policy

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses may experience, simply as a result of government ownership, should be neutralised. The Murray Valley Wine Grape Industry Development Committee continues to implement and apply this principle in its business undertakings.

8. Protected Disclosure Act 2012

Compliance with the *Protected Disclosures Act 2012*

The *Protected Disclosure Act 2012* (PD Act) enables people to make disclosures about improper conduct by public officers and public bodies. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.

What is a 'protected disclosure'?

A protected disclosure is a complaint of corrupt or improper conduct by a public officer or a public body.

Murray Valley Wine Grape Industry Development Committee (MVWGIDC) is a "public body" for the purposes of the Act.

SECTION 4: OTHER DISCLOSURES

What is 'improper or corrupt conduct'?

Improper or corrupt conduct involves substantial:

- mismanagement of public resources; or
- risk to public health or safety or the environment; or
- corruption.

The conduct must be criminal in nature or a matter for which an officer could be dismissed.

How do I make a 'Protected Disclosure'?

You can make a protected disclosure about MVWGIDC or its board members, officers or employees by contacting IBAC on the contact details provided below.

Please note that MVWGIDC is not able to receive protected disclosures.

How can I access MVWGIDC's procedures for the protection of persons from detrimental action?

MVGIDC has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about MVWGIDC or its employees. You can access MVWGIDC's procedures on its website at: www.mvwi.com.au.

Contacts

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria

Address: Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000.

Mail: IBAC, GPO Box 24234, Melbourne Victoria 3001

Internet: www.ibac.vic.gov.au

Phone: 1300 735 135

Email: see the website above for the secure email disclosure process, which also provides for anonymous disclosures.

9. Office-based Environmental Impacts

There were no significant office-based environmental impacts during the reporting period.

10. Additional Information Disclosure

Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by Murray Valley Wine Grape Industry Development Committee (MVGIDC) and are available (in full) on request, subject to the provisions of the *Freedom of Information Act 1982*:

- (a) Details of publications produced by MVWGIDC about itself, and how these can be obtained.
- (b) Details of any major external reviews carried out on MVWGIDC.
- (c) Details of major research and development activities undertaken by MVWGIDC

SECTION 4: OTHER DISCLOSURES

- (d) Details of major promotional, public relations and marketing activities undertaken by MVWGIDC to develop community awareness of the entity and its services; and
- (e) Details of changes in prices, fees, charges, rates and levies charged.

The information is available on request from:

Karen Hensgen
Murray Valley Wine Grape Industry Development Committee Phone: (03) 5023 9700
Email: idc@mwvi.com.au

Additional information included in annual report

Details in respect of the following items have been included in MVWGIDC's annual report, on the pages indicated below:

- (a) a statement of completion of declarations of pecuniary interests by relevant officers (*on page #*).

Information that is not applicable MVWGIDC

The following information is not relevant to MVWGIDC for the reasons set out below:

- (a) a declaration of shares held by senior officers (*No shares have ever been issued in MVWGIDC*).
- (b) Details of overseas visits undertaken (*No board members or senior executives took overseas work related trips*).

RISK MANAGEMENT ATTESTATION

1. Attestation for compliance with Australian/New Zealand Risk Management compliance

I, John Ward (*Chair, Murray Valley Wine Grape Industry Development Committee*), certify that the (*Murray Valley Wine Grape Industry Development Committee*) has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes.



John Ward
Chair

Date: 14th July 2015

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

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**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
 COMPREHENSIVE OPERATING STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
Revenue from Operating Activities			
Levy Income	2	415,092	445,894
Interest Received		5,912	9,322
Total Revenue		<u>421,004</u>	<u>455,216</u>
Expenses from Operating Activities			
Audit	3	5,200	5,100
Project Expenditure	4	405,415	391,546
Other Expenses	5	69,854	66,800
Total Expenses		<u>480,469</u>	<u>463,446</u>
Net Result for the Year		<u>(59,465)</u>	<u>(8,230)</u>
COMPREHENSIVE RESULT FOR THE YEAR		<u><u>(59,465)</u></u>	<u><u>(8,230)</u></u>

*The above statement should be read in conjunction with
 the notes to and forming part of these financial statements.*

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
BALANCE SHEET
AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	10	268,191	327,018
Receivables	6	11,698	32,430
TOTAL CURRENT ASSETS		<u>279,889</u>	<u>359,448</u>
TOTAL ASSETS		<u>279,889</u>	<u>359,448</u>
CURRENT LIABILITIES			
Payables	7	11,857	13,704
Levies in Advance	8	121,368	139,615
TOTAL CURRENT LIABILITIES		<u>133,225</u>	<u>153,319</u>
TOTAL LIABILITIES		<u>133,225</u>	<u>153,319</u>
NET ASSETS		<u>146,664</u>	<u>206,129</u>
EQUITY			
Contributed Capital	9(a)	36,311	36,311
Retained Surplus	9(b)	110,353	169,818
		<u>146,664</u>	<u>206,129</u>

*The above statement should be read in conjunction with
the notes to and forming part of these financial statements.*

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Contributed Capital \$	Retained Surplus \$	Total \$
Balance at 1 July 2013	36,311	178,048	214,359
Net result for the year	-	(8,230)	(8,230)
Balance at 1 July 2014	36,311	169,818	206,129
Net result for the year	-	(59,465)	(59,465)
Balance at 30 June 2015	36,311	110,353	146,664

*The above statement should be read in conjunction with
the notes to and forming part of these financial statements.*

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Levies Collected		415,092	445,894
GST Refunded		43,901	46,911
Interest Received		5,912	9,322
Payments to Suppliers		(523,732)	(517,504)
Net Cash provided by/(used in) Operating Activities	11	<u>(58,827)</u>	<u>(15,377)</u>
Net Increase/(Decrease) in Cash held		<u>(58,827)</u>	<u>(15,377)</u>
Cash and cash equivalents at beginning of the year		<u>327,018</u>	<u>342,395</u>
Cash and cash equivalents at end of the year	10	<u>268,191</u>	<u>327,018</u>

*The above statement should be read in conjunction with
the notes to and forming part of these financial statements.*

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that consists of a Comprehensive Operating Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and Notes accompanying these statements. The financial report is prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated. The financial report is prepared on the going concern basis.

The following is a summary of the significant accounting policies adopted by the Committee in the preparation of the financial report.

(a) Basis of Accounting

The Committee is a not for-profit entity for the purpose of preparing the financial report. Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

The principal address is:

Murray Valley Wine Grape Industry Development Committee
133 Langtree Avenue, Mildura, Victoria 3500.

(b) Basis of Preparation

This general purpose financial report complies with Australian Accounting Standards, which include interpretations issued by the Australian Accounting Standards Board and the requirements of the Financial Management Act 1994 and applicable Ministerial Directions.

(c) Receivables and Revenue Recognition

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less an allowance for impaired receivables. They are due for settlement within 30 days. Collectability of debts is reviewed on an ongoing basis. A provision for doubtful debts is raised where doubt as to collection exists.

Revenue is recognised in accordance with AASB 118. Income is recognised as revenue upon receipt to the extent it is earned. Should there be unearned income at the reporting date such as prepaid levies, it is reported as income in advance.

(d) Fixed Assets and Depreciation

Depreciable assets with a cost in excess of \$500 are brought to account and depreciation has been provided over their estimated useful life to the Committee using the Diminishing Value depreciation method.

The Committee has not held any Fixed Assets during the year ended 30 June 2015 (2014: \$NIL).

(e) Rounding

All amounts shown in the financial statements are expressed to the nearest dollar.

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Payables and Expenses

Payables consist predominantly of trade and sundry creditors. These amounts represent liabilities for goods and services provided to the organisation prior to the end of the financial year, which are unpaid at financial year end. The amounts are unsecured and are usually paid within 30 days of recognition. Payables are measured at fair value.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables on the Balance Sheet.

AASB 1031 requires the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority shall be classified as operating cash flows. Additionally, GST collected as part of receipts from customers should be presented separately from GST paid as part of payments to suppliers.

(h) Australian Accounting Standards applicable for the first time for 30 June 2015

During the 2015 financial year, there were new or revised standards applicable for the first time relating to Not-for-Profit Entities.

The application of these standards and interpretations relevant to the Murray Valley Wine Grape Industry Development Committee and the effect of these changes has been assessed in Note 1(o).

(i) Functional and presentation currency

Items included in this financial report are measured using the currency of the primary economic environment in which the Committee operates ('the functional currency'). The financial report is presented in Australian dollars, which is the Committee's functional and presentation currency.

(j) Classification between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being the Committee's operational cycle.

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within interest bearing liabilities on the balance sheet, but are included within cash and cash equivalents for cash flow statement presentation purposes.

(l) Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note (refer to Note 13) at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

(m) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer to Note 12) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented exclusive of GST receivable or payable respectively.

(n) Financial Instrument

Recognition

Financial instruments are initially measured at fair value, plus in the case of a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or the issue of the financial asset or liability. Subsequent to initial recognition, the financial instruments are measured as set out below:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables and other receivables in the balance sheet. Loans and receivables are recorded at amortised cost less impairment.

Impairment of financial assets

At each reporting date, the Committee assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the comprehensive operating statement. Impairment losses recognised in the comprehensive operating statement on equity instruments classified as available for sale are not reversed through the comprehensive operating statement.

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Changes in Accounting Policies

Subsequent to the 2013-14 reporting period, there are no new or revised Standards adopted in the current period which are relevant for the Murray Valley Wine Grape Industry Development Committee which require disclosure in these financial statements.

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 2: LEVY INCOME		
Compulsory and Voluntary Levies	415,092	445,894
	<u>415,092</u>	<u>445,894</u>
NOTE 3: AUDIT FEES		
The total audit fee payable to the Auditor General for the period from 1 July to 30 June	<u>5,200</u>	<u>5,100</u>
NOTE 4: PROJECT EXPENDITURE		
Advancing Vineyard Technology	21,850	-
Bio-security Management	9,776	-
Database Platform Upgrade	-	30,938
Economic Benchmarking	4,923	-
Grower Communications	68,645	50,769
Grower-Winery Liaisons	8,855	5,263
Industry Development Officer	105,139	97,941
Information Collection/Database Management	43,608	47,792
MDBP Engagement	-	(2,719)
Post Harvest Grower Consultations	8,769	9,192
Project Grants	-	2,000
Quality Measures & Standard	-	28,125
Regional & National Viticulture	-	69,829
Regional, State & National Winegrape Sector Development	72,795	-
Spray Diary	3,325	2,871
State & Regional Bio Security	-	3,761
Sulphur in the Vineyard	12,650	-
Water Management Engagement	-	6,975
Water Policy & Program Engagement	12,880	-
Weather Stations Development/Maintenance	19,550	38,809
Winegrape Crush Survey	12,650	-
	<u>405,415</u>	<u>391,546</u>

The Murray Darling Basin Project (MDBP Engagement) was funded in 2011-12. The expected completion period was 2012-13 however it ran over into 2013-14. During 2013-14 the project was finalised and some of the budgeted project costs were not incurred.

Under section 39A of the Agricultural Industry Development Act 1990 if there are unspent project funds at the end of the project, unspent project money must be paid back to MVWGIDC.

As a refund of project expenditure, disclosure as a revenue item is not accurate because it does not fit the scope of our revenue from operation activities.

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
NOTE 5: OTHER EXPENSES		
Accountancy Fees	6,926	6,510
Advertising	984	1,298
Annual Report Expenses	7,416	7,234
Bank Charges	251	443
Committee Allowance & Travel	8,448	7,953
Grower Communications	7,200	7,200
Honorarium	8,300	7,608
Insurance	2,154	2,153
Printing, Postage & Stationery	2,100	1,626
Secretarial	25,900	24,600
Website Maintenance	175	175
	<u>69,854</u>	<u>66,800</u>

NOTE 6: RECEIVABLES (CURRENT)

GST Receivable	126	9,549
Other Receivables - MVWG Refund	11,572	22,881
	<u>11,698</u>	<u>32,430</u>

For ageing of current receivables please refer to Financial Instruments Note 16.

NOTE 7: PAYABLES (CURRENT)

Trade Creditors	3,491	3,361
Audit Fees Accrued	5,200	5,100
Accounting & Secretarial Fees Accrued	3,166	3,074
Catering Fees Accrued	-	169
Project Grants Accrued	-	2,000
	<u>11,857</u>	<u>13,704</u>

For ageing of current payables please refer to Financial Instruments Note 16.

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 8: LEVIES IN ADVANCE		
Unearned Income - Prepaid Levies	121,368	139,615
	<u>121,368</u>	<u>139,615</u>
NOTE 9: EQUITY		
(a) Contributed Capital		
Balance at beginning of Reporting Period	36,311	36,311
<i>Balance at end of reporting period</i>	<u>36,311</u>	<u>36,311</u>
(b) Retained Surplus		
Retained Surplus at the beginning of the reporting period	169,818	178,048
Net result for the year	(59,465)	(8,230)
<i>Retained Surplus at the end of the reporting period</i>	<u>110,353</u>	<u>169,818</u>
(c) Equity		
Total Equity at the Beginning of the Reporting Period	206,129	214,359
Net result for the year	(59,465)	(8,230)
<i>Total Equity at the Reporting Date</i>	<u>146,664</u>	<u>206,129</u>

NOTE 10: RECONCILIATION OF CASH AND CASH EQUIVALENTS

For the purpose of the Cash Flow Statement, cash includes cash and cash equivalents, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents:

- Cheque Account	148,176	7,459
- Cash Management Account	120,015	319,559
	<u>268,191</u>	<u>327,018</u>

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015	2014
	\$	\$
NOTE 11: RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING RESULT		
Net result for the year	(59,465)	(8,230)
<i>Changes in Assets & Liabilities</i>		
(Increase) Decrease in Receivables	20,732	(23,433)
Increase (Decrease) in Payables	(20,094)	16,286
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	<u>(58,827)</u>	<u>(15,377)</u>

NOTE 12: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2015, there are no known commitments for expenditure (2014: \$Nil).

NOTE 13: COMMITMENTS FOR EXPENDITURE

As at 30 June 2015, The Committee is unaware of any contingent assets or liabilities (2014: \$Nil).

NOTE 14: EVENTS SUBSEQUENT TO BALANCE DATE

Since the reporting date, there have been no events occurring which require specific disclosure.

NOTE 15: RESPONSIBLE PERSONS RELATED PARTY DISCLOSURES

(a) Responsible persons

During the date of 1 July 2014 to 30 June 2015, unless otherwise stated, the following Responsible persons held the positions stated below:

The Honourable Peter WALSH	Minister for Agriculture and Food Security, VIC (for the period from 1 July 2014 to 3 December 2014)
The Honourable Jaala PULFORD	Minister Agriculture, VIC (for the period from 4 December 2014 to 30 June 2015)
The Honourable Katrina HODGKINSON	Minister for Primary Industries, NSW
WARD, John (Chairperson)	Victorian Grower Representative
MURDOCH, Andrew (Deputy Chairperson)	NSW Grower Representative
THOMPSON, Adrian	Victorian Grower Representative
MANSELL, Ann	Industry Representative
DAWES, David	NSW Grower Representative
O'CONNOR, Jan	Victorian Grower Representative
McCLINTOCK, Rachael	Industry Representative
SPICER, Murray	NSW Government Representative
CLARK, Amanda	Victorian Government Representative (resigned 12 March 2015)
PUTNIS, Mara	Victorian Government Representative (appointed by Minister 5 May 2015)

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

**NOTE 15: RESPONSIBLE PERSONS RELATED PARTY DISCLOSURES
(Continued)**

Responsible Persons received no remuneration other than reimbursed travel expenses and an attendance allowance.

Government representatives do not receive an attendance allowance.

The Chairperson of the Committee is entitled to and has been paid an annual Consulting Fee of \$8,300 for the year ended 30 June 2015 (2014: \$7,608).

	2015	2014
	\$	\$
(b) Executive Officer Remuneration		
No Executive Officers of the Committee were in receipt of a remuneration package in excess of \$100,000	Nil	Nil
Retirement Benefits of Responsible Persons	Nil	Nil
Other transactions of Responsible Persons Related parties	Nil	Nil
Other receivables from and payables to Responsible Persons and Responsible Person related parties	Nil	Nil
Amounts attributable to other transactions with Responsible Persons and Responsible Person related parties	Nil	Nil
Responsible Persons are paid an attendance allowance of \$190 (Chairman \$381) per day for attendance at recognised meetings and seminars.		
Responsible Persons are reimbursed for actual expenses incurred relating to motor vehicle, travel, accommodation and fares when incurred on Responsible Persons business.		
(c) Consultancies		
(i) Details of Consultancies (valued at \$10,000 or greater)		
In 2014-15, there was one consultancy where the total fees payable to consultants was \$10,000 or greater.		
The total expenditure incurred during 2014-15 in relation to this consultancy was \$44,276 excluding GST.		
Details of individual consultancies are outlined on Murray Valley Wine Grape Industry Development Committee's website, at <www.mvwi.com.au>		
(ii) Details of Consultancies (valued at less than \$10,000)		
In 2014-15, there were no consultancies valued under \$10,000.		

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 16: FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

The entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable. The entity does not have any derivative instruments as at 30 June 2015 (2014: \$Nil).

(i) Treasury Risk Management

Committee members discuss & analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts at committee meetings, which are held on a monthly basis.

(ii) Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

At 30 June 2015, the entity has no debt (2014: \$Nil).

Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

Liquidity risk

Liquidity Risk is the risk that the Committee will not be able to meet its financial obligations as they fall due.

The entity manages liquidity by monitoring forecast cash flows.

Credit risk

Credit risk is the risk of financial loss to the Committee as a result of a customer or counterparty to a financial instrument failing to meet its contractual obligations. Credit risk arises principally from the Committee's receivables and financial assets available for sale. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

Credit risk is managed by the entity and reviewed regularly by the committee. It arises from exposures to customers as well as through deposits with financial institutions.

The entity monitors the credit risk by actively assessing the rating quality and liquidity of counterparties. Only banks and financial institutions with an 'A' rating are utilised.

The trade receivables balances at 30 June 2015 and 30 June 2014 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Price Risk

The entity is not exposed to any material commodity price risk.

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 16: FINANCIAL RISK MANAGEMENT (CONTINUED)

b. (i) Financial Instruments Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

	Weighted Average		Floating Interest Rate		Fixed Interest Rate Maturing		Non-interest Bearing		Total	
	2015 %	2014 %	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$	2015 \$	2014 \$
Financial assets										
Cash at bank - Cheque Account	0.00	0.01	148,176	7,459	-	-	-	-	148,176	7,459
Cash at bank - Cash Mgt Acc	1.80	2.00	-	-	120,015	319,559	-	-	120,015	319,559
Trade and other receivables	-	-	-	-	-	-	11,572	22,881	11,572	22,881
Total financial assets			148,176	7,459	120,015	319,559	11,572	22,881	279,763	349,899
Financial liabilities										
Trade and sundry payables	-	-	-	-	-	-	11,857	13,704	11,857	13,704
Total financial liabilities							11,857	13,704	11,857	13,704

Trade and sundry payables are expected to be paid as follows:

	2015 \$	2014 \$
Trade payables		
Less than 6 months	3,491	3,361
Sundry payables		
Less than 6 months	8,366	10,343
Total trade and sundry payables	11,857	13,704

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 16: FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Summarised Sensitivity Analysis

The table below summarises the sensitivity of the Committee's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

	Carrying Amount \$	Interest Rate Risk				Foreign Exchange Risk				Other Price Risk			
		-1% Result \$	Equity \$	+1% Result \$	Equity \$	-1% Result \$	Equity \$	+1% Result \$	Equity \$	-1% Result \$	Equity \$	+1% Result \$	Equity \$
Financial assets													
Cash at bank - Cheque Account	148,176	(1,482)	(1,482)	1,482	1,482	-	-	-	-	-	-	-	-
Cash at bank - Cash Mgt Acc	120,015	(1,200)	(1,200)	1,200	1,200	-	-	-	-	-	-	-	-
Trade and other receivables	11,572	-	-	-	-	-	-	-	-	-	-	-	-
Total financial assets	279,763	(2,682)	(2,682)	2,682	2,682	-	-	-	-	-	-	-	-
Financial liabilities													
Trade and sundry payables	11,857	-	-	-	-	-	-	-	-	-	-	-	-
Total financial liabilities	11,857	-	-	-	-	-	-	-	-	-	-	-	-
Total increase/(decrease)		(2,682)	(2,682)	2,682	2,682	-	-	-	-	-	-	-	-

c. Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Balance Sheet and in the notes to the financial statements.

CERTIFICATION

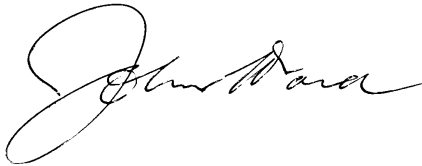
MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE

In accordance with a resolution of the Murray Valley Wine Grape Industry Development Committee (MVWGIDC), we the undersigned:

- i) Certify that in our opinion the accompanying financial statements comprising the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Accounts, present fairly the financial transactions during the year ended 30 June 2015 and the financial position of the IDC as at that date;
- ii) Are not aware of any circumstances which would render any particulars included in the statements to be misleading or inaccurate; and
- iii) State that in our opinion the financial statements have been prepared in accordance with the *Financial Management Act 1994*, applicable Australian Accounting Standards, Interpretations and other mandatory professional reporting standards.

Signed at Mildura 21 August 2015

On behalf of the IDC:



John Ward

Chairperson of the MVWGIDC



Andrew Murdoch

Deputy Chairperson of the MVWGIDC

AUDITORS REPORT

VAGO

Victorian Auditor-General's Office

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Melbourne VIC 3000
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Facsimile 61 3 8601 7010
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Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Committee Members, Murray Valley Wine Grape Industry Development Committee

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Murray Valley Wine Grape Industry Development Committee which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the Certification has been audited.

The Committee Members' Responsibility for the Financial Report

The Committee Members of the Murray Valley Wine Grape Industry Development Committee are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Committee Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Committee Members, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Murray Valley Wine Grape Industry Development Committee as at 30 June 2015 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
3 September 2015



for John Doyle
Auditor-General

DISCLOSURE INDEX

The annual report of the IDC is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the IDC's compliance with statutory disclosure requirements.

Legislation	Requirement	Page reference
MINISTERIAL DIRECTIONS		
Report of operations – FRD guidance		
Charter and purpose		
FRD 22F	Manner of establishment and the relevant Ministers	Page 6
FRD 22F	Purpose, functions, powers and duties	Page 6
FRD 22F	Initiatives and key achievements	Page 4-5
FRD 22F	Nature and range of services provided	Page 6-7
Management and structure		
FRD 22F	Organisational structure	Page 16-17
Financial and other information		
FRD 8C, SD 4.2(k)	Performance against output performance measures	Page 9
FRD 10	Disclosure index	Page 26-27
FRD 12A	Disclosure of major contracts	Page 20
FRD 15B	Executive officer disclosures	Page 19
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FRD 22F	Occupational health and safety policy	Page 18
FRD 22F	Summary of the financial results for the year	Page 8
FRD 22F	Significant changes in financial position during the year	Page 10
FRD 22F	Major changes or factors affecting performance	Page 10
FRD 22F	Subsequent events	Page 10
Financial Report		
FRD 22F	Application and operation of <i>Freedom of Information Act 1982</i>	Page 21&22
FRD 22F	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	Page 21
FRD 22F	Statement on National Competition Policy	Page 21
FRD 22F	Application and operation of the <i>Protected Disclosure 2012</i>	Page 21-22
FRD 22F	Details of consultancies over \$10 000	Page 20
FRD 22F	Details of consultancies under \$10 000	Page 20
FRD 22F	Statement of availability of other information	Page 22
FRD 24C	Reporting of office-based environmental impacts	Page 22
FRD 25B	Victorian Industry Participation Policy disclosures	Page 20
FRD 29A	Workforce Data disclosures	Page 19
SD 4.5.5	Risk management compliance attestation	Page 24
SD 4.5.5.1	Ministerial Standing Direction 4.5.5.1 compliance attestation	Page 26-27
SD 4.2(g)	Specific information requirements	Page 8,9,11-15
SD 4.2(j)	Sign-off requirements	Page 40

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SD4.2(b)	Balance sheet	Page 27
SD4.2(b)	Cash flow statement	Page 29
Other requirements under Standing Directions 4.2		
SD4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 30
SD4.2(c)	Compliance with Ministerial Directions	1-27
SD4.2(d)	Rounding of amounts	Detailed Financials
SD4.2(c)	Accountable officer's declaration	Detailed Financials
SD4.2(f)	Compliance with Model Financial Report	1-27
Other disclosures as required by FRDs in notes to the financial statements		
FRD 11A	Disclosure of Ex gratia Expenses	N/A
FRD 21B	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	Detailed Financials
FRD 102	Inventories	N/A
FRD 103F	Non-Financial Physical Assets	N/A
FRD 104	Foreign Currency	N/A
FRD 106	Impairment of Assets	N/A
FRD 109	Intangible Assets	N/A
FRD 107A	Investment Properties	N/A
FRD 110	Cash Flow Statements	N/A
FRD 112D	Defined Benefit Superannuation Obligations	N/A
FRD 113A	Investments in Subsidiaries, Joint Ventures and Associates in Separate Financial Statements	N/A
FRD 114A	Financial Instruments – General Government Entities and Public Non Financial Corporations	N/A
FRD 119A	Transfers through Contributed Capital	N/A
LEGISLATION		
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	<i>Victorian Industry Participation Policy Act 2003</i>	Page 20
	<i>Financial Management Act 1994</i>	Page 4-24