Murray Valley
Winegrape Industry
Development Committee

iDC

2018
Annual Report

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RESPONSIBLE BODY'S DECLARATION

In accordance with the *Financial Management Act 1994*, I am pleased to present the Murray Valley Wine Grape Industry Development Committee Annual Report for the year ending 30 June 2018.

John Ward
Chairperson
Murray Valley Wine Grape Industry Development Committee
24th July 2018

REPORT OF OPERATIONS

SECTION 1: YEAR IN REVIEW

Chairperson's Report

With strong grower support, the Murray Valley Wine Grape Industry Development Committee (IDC) continues to operate pursuant to the Murray Valley Wine Grape Industry Development (Extra-Territorial) Order 2016 (2016 Order) under the *Agricultural Industry Development Act 1990.* The IDC functions in accordance with statutory provisions and encourages growers to contribute to the annual voting process that decides which services will be delivered for the coming year. Projects completed in 2017-18, and those approved for 2018-19, are listed under the Year in Review.

In the main, project proposals are submitted to the IDC by Murray Valley Winegrowers Inc (MVW). Keeping growers up-to-date with information that impacts on their grape business operations is a major undertaking of MVW. The communications program in 2017-18 included quarterly editions of *MVW News & Views,* 56 bulletins provided through the Easy Update email service, numerous SMS messages reminding growers of workshops and other forums, and news releases issued to general and industry media. Industry-related reports and fact sheets were also posted regularly to the MVW website. The Information Forum, held in association with the Australian Wine Research Institute (AWRI) on May 10, attracted an audience of more than 100, the largest since the annual event started in 2015. This provided the latest breakdown on export performance, global market trends, vineyard values, the issues influencing grape prices, the most effective pruning method for vines hit by hail and progress on breeding disease-resistant vines.

In conjunction with the AWRI, MVW also hosted four Preventing Powdery Mildew workshops through the year - in Swan Hill and Irymple in August and at Piangil and Cardross in October. Combined, these events were attended by around 100 growers from the Murray-Darling and Swan Hill regions. This reflected the fact that a number of outbreaks of powdery had occurred in the lead-up to the 2017 vintage, and growers were dedicated to preventing the disease from recurring. Funding for the powdery workshops was provided through the Wine Australia Regional Program, which also supported a seminar in December that focused on alternative winegrape varieties.

The growers' database that's maintained by MVW shows that, as at October 2017, there were 325 growers in the Murray-Darling and Swan Hill regions. At around the same time in 2013, 524 growers were listed, highlighting a 38% reduction over the last four seasons.

The 2018 Wine Grape Crush Survey report for the Murray-Darling and Swan Hill regions confirmed that production had declined each year for the past five years, after a record high in 2013 of 458,600 tonnes. In 2018, production totalled 345,459 tonnes, down 4% on the 2017 result.

While tonnages were down, the prices paid for most varieties increased in 2018. Overall, the average purchase price for the regions increased by 13% from $357/tonne to $402/ tonne. Prices for key varieties have been rising gradually over the past three seasons. For example, since 2015 the average prices of Cabernet Sauvignon and Shiraz have climbed by more than 60 per cent, and Chardonnay has lifted by almost 50 per cent. It must be remembered, though, that for many growers, the improvement in prices is giving them the means to recover from years of losses. Full profitability may still be a little way off for some, although the medium-term outlook for the Australian wine industry is largely positive, driven by significant gains in Northeast Asia, predominately China.

The IDC remains in sound financial health with solid reserves. The overarching aim of the IDC is the delivery of projects that will improve the economic value of vineyards. The IDC is focused on the monitoring and service delivery of grower-funded projects to achieve maximum value for money.

REPORT OF OPERATIONS

SECTION 1: YEAR IN REVIEW

Continued investment in ongoing projects has provided growers with information via fact sheets, *MVW News & Views,* Easy Update bulletins and industry forums. New projects have enabled growers to utilise evolving technology, such as a network of weather stations that produce data for vine disease alerts. In one way or another, projects overseen by the IDC assist growers in their vineyard management and reduces costs.

The composition of the IDC changed through the year when the Victorian Government representative, Mara Putnis resigned her position on the committee. Amanda Ellery was appointed in June as the new Victorian Government observer. I thank all committee members for their input and support through the year. I'm also grateful to Hensgen Partners for the continued provision of secretarial services to the IDC, and to MVW for the work its team does in meeting the needs of growers.

John Ward
IDC chair

SECTION 1: YEAR IN REVIEW

Manner of Establishment and Responsible Ministers

The IDC is a statutory organisation established under the *Agricultural Industry Development Act 1990*.

The purpose of the IDC is to collect and expend winegrape levies to support the growers of the Murray-Darling and Swan Hill wine regions; to add value, to inform and educate and contribute to growth and profitability.

The responsible Minister during the 2017-18 reporting period was the Hon Jaala Pulford MP, Minister for Agriculture.

Nature of and Range of Services

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 Order. 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.

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

Plan of Operations

Under Section 45 of the *Agricultural Industry Development Act 1990,* the IDC has several responsibilities to government and growers including:

1. An IDC must, before the first anniversary of the commencement of the Order, submit to the Minister a plan of its intended operations during the term of the Order.
2. Thereafter, with each annual report it submits to the Minister, the IDC must also submit a plan of operations updated to cover the remainder of the term of the Order.
3. Each plan of operations must include indicators against which the performance of the IDC may be measured.
4. The IDC must provide, on request, to a producer, or, on payment of the fee determined by the IDC, to any other person, copies of the annual report and plan of operations.

Section 23 of the 2016 Order states the plans of operations submitted by the IDC to the Minister must, in addition to requirements under the Act, be developed in consultation with all sectors of the wine grape industry in the production area and be published by the IDC and made available to all wine grape growers.

SECTION 1: YEAR IN REVIEW

The IDC & Industry

The IDC is a grower-controlled IDC that oversees the collection of regional grower levies of up to $1.50 per tonne of wine grapes sold to wineries as prescribed under the 2016 Order (Order levy). An additional voluntary contribution of $0.70 cents per tonne is charged to assist in the funding of MVW. MVW is a separate body that must apply to the IDC for project funding. The Order levy component enables MVW to undertake grower-approved projects, while income from the voluntary levy funds a substantial portion of MVW's staff, board and office costs, commercial advice for growers and advocacy on matters such as alcohol taxation.

While the IDC works closely with MVW, the functions of the two bodies are distinctly different in that the IDC's focus is to oversee the collection and spending of statutory levies while MVW manages and delivers services that are funded through the levies process.

MVW is the peak regional wine grape growers' body representing around 325 growers in the Murray-Darling and Swan Hill wine regions of Victoria and NSW. This is Australia's second largest production zone, responsible for around 20% of the national wine grape crush.

Vision, Mission & Values

By 2020, the IDC will have contributed to a more profitable, viable and sustainable wine industry through:

- investment in the development of accurate regional grape yield forecast figures
- better informed and more involved growers
- development of innovative and cutting-edge vineyard management practices.

The IDC will collect grower levies and invest in projects that develop and support a sustainable winegrape 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 wine 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.

SECTION 1: YEAR IN REVIEW

Operational Guidelines & Scope

The IDC will:

1. Hold its meetings in Mildura.
2. Meet four times per year (more or less as required).
3. Engage a consultant to provide part-time support to 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.

Structural changes to the IDC during 2017-18

There were no significant structural changes to the IDC during the 2017-18 financial year.

SECTION 1: YEAR IN REVIEW

Current Year Financial Review and 5 Year Summary

Table 1. Five-year Financial Summary

	2017-18 $	2016-17 $	2015-16 $	2014-15 $	2013-14 $
Revenue from statutory levy	308,185	288,353	342,249	398,370	445,894
Return unspent project funds	-	31,209	31,615	16,722	-
Other revenue	270	840	2,354	5912	9322
Total revenue	308,455	320,402	376,218	421,004	455,216
Expenses	230,324	385,268	412,969	480,469	463,446
Net Operating Result	**78,131**	**(64,866)**	**(36,751)**	**(59,465)**	**(8,230)**
Net Cash Flow from operations	-4,214	50,387	(138,202)	(58,827)	(15,377)
Total Assets	176,893	214,706	151,040	279,889	338,647
Total Liabilities	53,714	169,659	41,127	133,225	153,319

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

Table 2. Approved Project and Levies 2013-14 to 2017-18

	2017-18	2016-17	2015-16	2014-15	2013-14
Total Approved Project costs	$237,200	$397,433	$424,696	$498,435	$493,085
Order levy remitted	$308,185	$288,353	$342,249	$398,370	$445,894
Actual tonnes to date	246,548	230,500	273,800	318,696	356,715
Projected levy	$287,500	$350,000	$400,000	$425,000	$387,500
Projected tonnes	230,000	280,000	320,000	340,000	310,000

Operational and budgetary objectives and performance

The financial presentation at all IDC meetings 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. On a qualitative basis, the IDC makes recommendations to its service providers to ensure that projects deliver results as voted by the growers.

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

- Quarterly financial report highlighting actual expenses to date and budget remaining.
- Quarterly performance report with current project outcomes, percentage complete and commentary on delivery.
- 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

For the financial year ended 30 June 2018, grower levies of $308,185 (246,548 tonnes) were received from wineries. Projected grower levies for year ended 30 June 2018 were $287,500 (230,000 tonnes) resulting in a positive variance of $20,685 in levies.

Total estimated project costs include the cost of administering the IDC operations. For the year ended 30 June 2018, the IDC funded all 2017-18 approved projects and achieved a surplus of $6,876 as against the IDC administration budget (Table 3). Any surplus 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 are returned to the IDC and invested until future projects are approved by growers.

Project Funding

Every year prior to project voting the IDC calculates the available funds for project spending. This estimate takes into consideration estimated cash reserves and winery tonnages for the following year.

In October 2017, the IDC agreed to minimum uncommitted cash reserves of $100,000 and an estimated harvest of 230,000 tonnes (excluding winery-owned vineyards) for the 2018 vintage. Based on estimated reserves for June 2018 and tonnages for 2018 vintage, approved project expenditure for 2018-19 is calculated (Table 3). Project voting resulted in 100 per cent of growers approving the IDC increasing its level of reserves.

Table 3. Approved Projects

	2017-18			2018-19
	Actual $	Approved $	Variance $	Approved $
Grower Communications	56,916	56,916	-	59,821
Growers' Rights & Obligations			-	12,760
Industry Development IDC - Admin	60,324	67,200	6,876	66,500
Industry Development Officer	53,156	53,156	-	-
Information Collection/database Management	33,737	33,737	-	43,593
Production Support	14,366	14,366	-	15,917
Project preparations, development & delivery	-	-	-	20,482
Regional wine shows	-	-	-	5,808
Weather Station Network	9,680	9,680	-	18,524
Winegrape Crush Report	2,145	2,145	-	2,288
Winegrape Industry Development	-	-	-	78,628
Total (GST exclusive)	**230,324**	**237,200**	**6,876**	**324,321**

SECTION 1: YEAR IN REVIEW

Initiatives and key achievements

The outcomes achieved through MVW projects funded by the IDC levies are reported in Table 4.

Table 4. Summary of Approved Projects funded in 2017-2018

Project	Key 2017-18 Achievements
Grower Communications	In 2017-2018 MVW published four editions of ***MVW News & Views***, providing information on winegrape supply/demand, market data, research outcomes and application, viticulture developments, industry commentary and grower forums. Each edition also incorporates a Wine Export Approvals Report, compiled by Wine Australia, to give growers an assessment of Australia's wine marketing performance. In the past year there were 56 ***MVW Easy Update*** email bulletins sent to around 325 growers. This service gives MVW the ability to keep grower communications current, particularly for time-sensitive information during harvest and at other crucial periods. An ***SMS grower alert*** service has been invaluable in reminding growers of industry-related events. On 10th May 2018, MVW presented a ***growers' information forum***, with specialist speakers who reported on current issues of relevance to the wine industry, including industry outlook, market conditions and viticulture management. Over 100 growers attended the 2018 forum and it received a lot of positive feedback. Other forums were conducted pre- and post-harvest, with wineries and growers. The ***MVW website*** www.mvwi.com.au is vital to the communications process, giving growers easy access to a suite of information that's helpful to vineyard and business management. The website is a shared resource with the IDC.
Industry Development Committee - Administration	To ensure the levy is collected and administered for the benefit of growers there are certain costs. As the levy collection is enabled by an act of State Parliament, there are also governance requirements such as the make-up of the IDC, auditing and reporting back to Government. The IDC budget is submitted to growers for voting along with other projects. The costs involved with collecting the levy, running the IDC, calling for project submissions, the project voting process and complying with all the relevant legislation in both Victoria and New South Wales are submitted for approval. The Committee does not employ staff, all secretarial, administration and accounting functions are managed by Hensgen Partners.

SECTION 1: YEAR IN REVIEW

Table 4. Summary of Approved Projects funded in 2017-2018

Project	Key 2017-18 Achievements
Industry Development Officer (IDO)	Industry Development Officer (IDO) projects provide growers access to expertise and services essential to effective vineyard management. These are delivered "on the ground" and through communication channels such as grower forums, *MVW News & Views* and *Easy Update*. Activities undertaken incorporate: • organising and conducting workshops, seminars, grower groups, vineyard walks and trials; • facilitating grower input for establishing research and extension priorities; • identifying regional extension priorities for project funding consideration by the IDC and Australian Grape and Wine Authority (AGWA); • managing the delivery of IDC and AGWA funded projects; • liaising with regional industry groups to ensure delivery of programs; • responding to viticultural queries; • arranging and sourcing articles for *MVW News & Views* and *MVW Easy Update*, and publish Technical Fact Sheets for growers; • prepare and source articles for *MVW News & Views* and *MVW Easy Update*, and publish Technical Fact Sheets for growers; • liaising with other regional IDOs on matters of common interest; NSW and VIC departments of agriculture, Victorian Horticulture Industry Network and Victorian Winegrower Liaison Committee; and • arranging and conducting grower meetings on specific seasonal issues. Key outcomes noted from the IDO services have been a greater rate of grower uptake of advanced viticulture and vineyard management knowledge.
Information Collection/ Database Management	Decisions regarding vine removals, plantings, vineyard management and varietal selection rely on good information. This is obtained through MVW's involvement in industry forums, participation in regional aerial mapping programs, annual database survey, crush survey reports, market reports and wine industry data collated by Wine Australia and government agencies. Information is sourced, reviewed and, if necessary, summaries prepared for growers' consumption via information forums, *MVW News & Views, MVW Easy Update*, MVW website, MVW Annual Chairman's Report, industry journals and general media. An important source of information comes from growers, from answers they provide in the annual Database Survey, which enables MVW to update and maintain a growers' database for the Murray-Darling and Swan Hill wine regions. Database maintenance occurs on a regular basis as required. An information update survey was sent to all growers in August 2017. Non-returns were followed up by a telephone campaign. Results were included in the December 2017 *MVW News & Views*. Maintaining an accurate database that provides MVW with statistics of grower numbers, area planted to wine grapes, varieties planted, irrigation methods and changes to plantings is essential to MVW's communication with industry and government stakeholders. The database also enables MVW and MVWIDC to communicate directly with growers, and for growers to receive invitations to workshops and seminars, news on specific industry-related developments, meeting notices and project voting papers.

SECTION 1: YEAR IN REVIEW

Table 4. Summary of Approved Projects funded in 2017-2018

Production Support	**Wine Grapes for Sale Register** MVW maintains a Wine Grapes for Sale Register to assist non-contract growers in the selling of their fruit. Growers advise MVW of available varieties and estimated tonnes, creating an inventory of grapes for sale in the Murray-Darling and Swan Hill regions. MVW also maintains records of around 30 wineries known to buy fruit from these regions, and periodically advises them of available varieties, without disclosing individual records. If a winery expresses interest in buying grapes, MVW advises all registered growers of that enquiry. This is a service that brings growers and wineries together to facilitate a transaction. **Spray diaries** The availability of spray diaries in electronic formats has, for many growers, eliminated the need for a hard-copy spray diary. However, grower demand still exists, resulting in Murray Valley Winegrowers annually updating and printing diaries for use over the season. 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. **Biosecurity management** Murray Valley Winegrowers is required to provide a delegate to the Victorian Viticulture Biosecurity Committee (VVBC) and participate in the development and maintenance of a national biosecurity strategy. The development of regional, state and national biosecurity protocols demands that MVW remain involved in policy-setting forums and communication of outcomes. The Australian viticulture industry is expected by government to participate in policy development for pest and disease prevention and eradication, meaning that MVW is called on to represent growers' interests in this area of management and control.
Weather Station Network	There are currently nine weather stations located in the Murray-Darling and Swan Hill regions logging temperature, rainfall, relative humidity and leaf wetness. Data from the weather stations is displayed in real time on the MVW website www.mvwi.com.au and an APP downloaded onto smartphones or tablet, with the use of software created and maintained by Magarey Plant Pathology. The Model-T weather stations also run a disease model for downy mildew and MVW is 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. The weather station network requires yearly servicing / maintenance, daily conductivity for data access and to run the data in real time. The website is checked daily to ensure to ensure timely data feeds.
Winegrape Crush Report	The Murray-Darling / Swan Hill Winegrape Crush Report has been a fixture of harvest reporting for many years. It's how 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. MVW manages the process in association with Wine Australia, which in 2017-18 conducted an Australia-wide vintage survey of all winemaking enterprises. MVW communicate the results to growers including the provision of commentary on survey trends. Survey results are published in *MVW News & Views*, the *Easy Update* Email Service and the MVW website.

SECTION 1: YEAR IN REVIEW

Significant Changes in Financial Position

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

Capital Projects

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

Subsequent Events

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

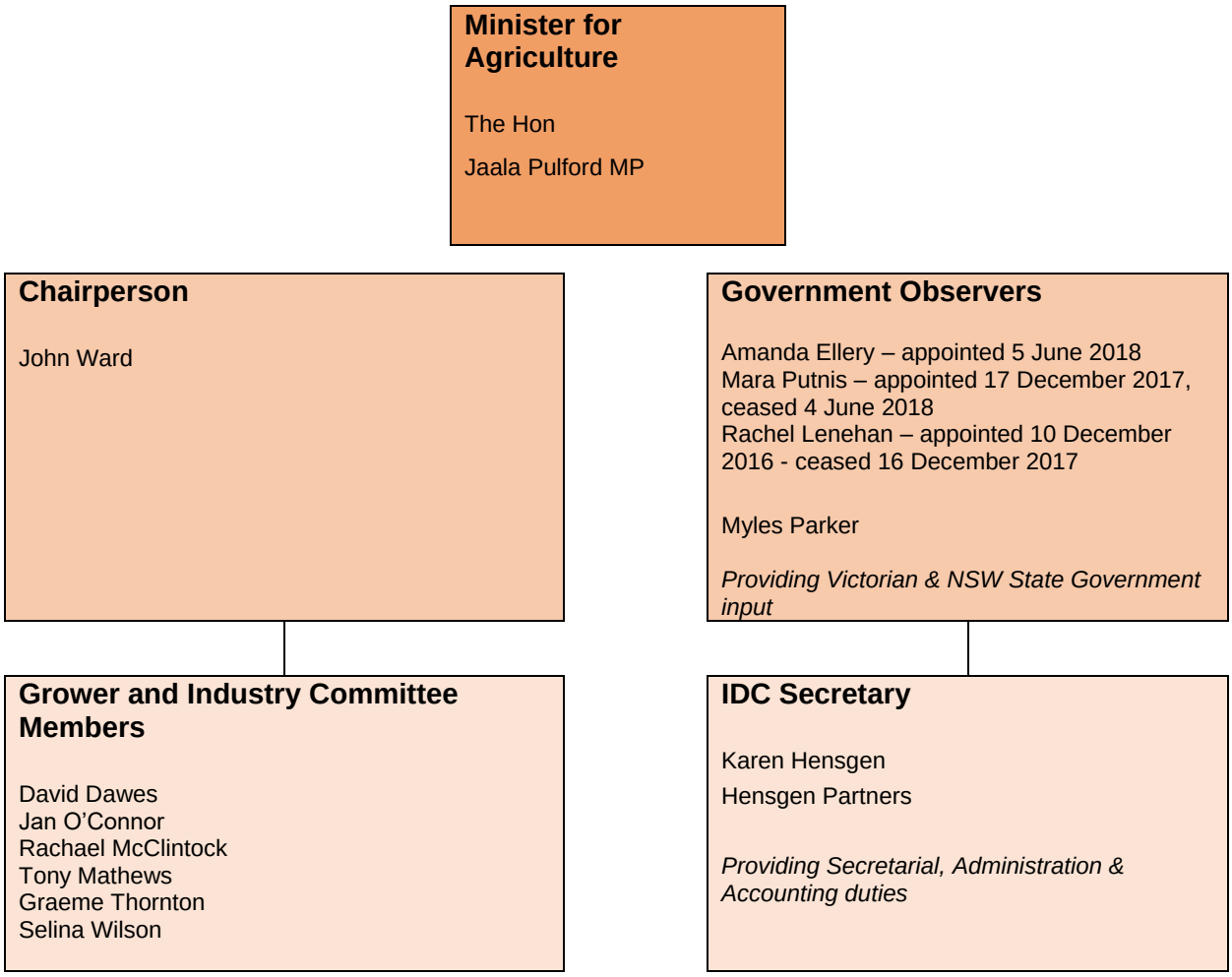
Major Changes or Factors Affecting Performance

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 2017-18.

SECTION 2: GOVERNANCE AND ORGANISATIONAL STRUCTURE

Organisational Structure

The organisational structure of the IDC provides a framework for the effective management of the organisation.



Names and Area of Responsibility of Executive Officers

The IDC does not employ any staff directly. In previous years the IDC funded the employment of an Industry Development Officer (IDO), who had responsibility for preparing those submissions that related to research, on-farm trials and extension activities. But the position of IDO no longer exists so this responsibility now rests with the MVW Executive Officer and Office Manager. The MVW Executive Officer and Office Manager project is funded by the IDC but is employed by Murray Valley Winegrowers.

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. Contracts are available upon request.

SECTION 2: GOVERNANCE AND ORGANISATIONAL STRUCTURE

Governing Board

The IDC is led by the Chairperson, who reports to the wine grape growers of the Murray-Darling and Swan Hill regions. The IDC consists of Victorian and NSW grower representatives, industry representatives and Victorian and NSW government observers. As at 30th June 2018 current members are as below.

John Ward - Chairperson (Victorian Grower Representative)

John has had a lifelong involvement in primary industries and has a rich family history in broadacre farming in the Swan Hill and Balranald areas of northern Victoria. As well, John operates a 60 hectare vineyard near Swan Hill, which he developed in 1997. He has been Chairperson of the IDC since 2003.

David Dawes - Deputy Chairperson (NSW Grower Representative)

David owns and operates a 130 hectare vineyard on the Darling River in southwest NSW, which was developed from a greenfield site in 1993. He was previously involved in wheat, sheep and cattle enterprises on three family properties in the same area. David is involved with many local community groups, including being a founding director of the Wentworth Community Bank.

Jan O'Connor (Victorian Grower Representative)

Jan owns and operates a contract mechanical grape harvesting business and is a partner in vineyards in the Murray-Darling and Clare Valley. Jan has considerable experience in the winegrape industry and is a former board member of the Grape and Wine Research and Development Corporation and Australian Wine Research Institute.

Rachael McClintock (Industry Representative)

Rachael owns and operates a consulting/advisory business, servicing the Sunraysia, Riverland and Clare Valley wine growing districts. She has 19 years' experience in the viticulture industry in Australia and New Zealand. She participates in numerous industry workshops and works very closely with private and corporate vignerons.

Graeme Thornton (Industry Representative)

Graeme was involved in the grape and wine industry for more than 30 years, accumulating a breadth of experience and knowledge through various roles in South Australia and Victoria.

He also worked as a counsellor for 15 years with Rural Financial Counselling services in NSW and Victoria, supporting grape growers in challenging times.

Tony Mathews (Grower Representative)

Tony has been a winegrape grower in the Murray-Darling region since 1987. His background is in aviation, having been a commercial pilot for 45 years, flying within Australia and overseas. He also managed the QantasLink operation from Mildura airport for 17 years. Tony is a director on the boards of Mildura Health and is the Chair of Civil Aviation Safety Authority.

SECTION 2: GOVERNANCE AND ORGANISATIONAL STRUCTURE

Selina Wilson (Grower Representative)

Selina and her family run a horticultural property in Gol Gol, NSW, which includes a 38 hectare vineyard. She is a qualified civil engineer. Following a devastating storm in November 2014, which caused widespread damage to vineyards and orchards in south west NSW, Selina created and administered a Facebook forum for growers, and was a member of an industry and shire recovery committee.

Myles Parker (NSW Government Observer)

Myles is Leader Horticulture Industry Development for the NSW Department of Primary Industries.

Rachel Lenehan (Victorian Government Observer 10 December 2016–16 December 2017)

Mara Putnis (Victorian Government Observer 17 December 2017–4 June 2018)

Mara is a Manager in the Agriculture Policy Branch of the Department of Economic Development, Jobs, Transport & Resources.

Amanda Ellery (Victorian Government Observer appointed 5 June 2018)

Amanda is a Senior Policy Analyst in the Agriculture Policy branch of the Department of Economic Development, Jobs, Transport & Resources.

Administration

Administration of the IDC is contracted to Hensgen Partners of Mildura. All communication and enquiries regarding voting or administration of levy funds should be directed to:
Karen Hensgen - IDC Secretary, C/- Hensgen Partners

Address:	27 Langtree Avenue, Mildura, Victoria	Phone:	03 5039 5555
Post:	PO Box 3232 Mildura Vic 3502	Email:	khensgen@hensgen.com.au

Table 5: Governing committee members, terms and attendance

Member	Term	Representation	Number of meetings attended 2017-18	Number of meetings held 2017-18
John Ward	10 December 2016 to current	Independent Chair	3	3
David Dawes	10 December 2016 to current	Grower Representative	2	3
Selina Wilson	10 December 2016 to current	Grower Representative	3	3
Jan O'Connor	10 December 2016 to current	Industry Representative	3	3
Rachael McClintock	10 December 2016 to current	Industry Representative	3	3
Tony Mathews	10 December 2016 to current	Grower Representative	2	3
Graeme Thornton	10 December 2016 to current	Industry Representative	3	3
Non-Voting Government Observers				
Amanda Ellery	5 June 2018 to current	Victoria DEDJTR	0	3
Mara Putnis	17 December 2017 to 4 June 2018	Victoria DEDJTR	2	3
Rachel Lenehan	10 December 2016 to 16 December 2017	Victoria DEDJTR	0	3
Myles Parker	10 December 2016 to current	NSW DPI	3	3

SECTION 3: WORKFORCE DATA

Statement of Workforce Data and Merit and Equity

The IDC did not employ any staff during 2017-2018, and therefore did not require any employment policies with respect to values and employment principles or have a requirement to provide data on Executive Officers.

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 employee staff and therefore does not have a requirement to maintain OH&S policies, commitments and training programs.

Public Administration Values and Employment Principles

The *Public Administration Act 2004* outlines the values and employment principles that guide behaviour in public sector organisations. In 2017-18, 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.

The IDC has policies in place to ensure compliance with all public sector employment principles and provides for fair treatment, career opportunities and the early resolution of issues. The IDC has provided guidance to its members on how to avoid conflicts of interest, how to respond to offers of gifts and how the IDC deals with misconduct.

Executive Officers Disclosures

There were no persons who held a position of Executive Officer as defined by the *Public Administration Act 2004* during the financial period. Payments to the Chairperson and other IDC members are disclosed in Note 11 of the Financial Statements.

Employment and Conduct Principles

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

SECTION 4: OTHER DISCLOSURES

Local Jobs First - 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 (VIPP). Departments and public sector bodies are required to apply VIPP 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 did not have any services provided at a cost of $1 million or more during the 2017-18 financial year.

Consultancies

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

In 2017-18, there was one consultancy where the total fees payable to consultants was $10,000 or greater.

Consultant	Purpose	Start Date	Finish Date	Actual Fees (exc. GST)	Approved Fee (exc. GST)	Future Expenditure (exc. GST)
Hensgen Partners	Accounting, secretarial, grower communication & annual report preparation services.	01/07/2017	30/06/2018	$33,059	$3,306	$36,365

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

In 2017-18, there were no consultancies valued under $10,000.

Major Contracts

The Committee did not award any major contracts during the 2017-18 reporting period.

Information and Communication Technology (ICT) Expenditure for the 2017-18 Reporting Period

In 2017-18, the IDC had a total ICT expenditure of $0. “ICT expenditure” refers to IDC costs in providing business enabling ICT services.

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SECTION 4: OTHER DISCLOSURES

Freedom of Information

The *Freedom of Information Act 1982* (the Act) allows the public a right of access to documents held by the IDC. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by a Public Sector Body. This comprises documents both created by the IDC or supplied to the IDC by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes.

The Act allows the IDC to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include: cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to the IDC in-confidence.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (FoI) processing time for requests received from 45 to 30 days. In some cases, this time may be extended.

If an applicant is not satisfied by a decision made by the IDC, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request

FoI requests can be lodged online at www.foi.vic.gov.au. An application fee of $28.90 applies. Access charges may also be payable if the document pool is large, and the search for material, time consuming.

When making a FoI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

Requests for information should be directed to the Secretary on 03 5039 5555 or khensgen@hensgen.com.au.

During the 2017-18 year, the Committee did not receive any requests for access to documents under the Act.

Further information

Further information regarding the operation and scope of FoI can be obtained from the Act, regulations made under the Act, and www.foi.vic.gov.au.

Compliance with Building Act 1993

The IDC 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*.

Competitive Neutrality 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 IDC continues to implement and apply this principle in its business undertakings.

SECTION 4: OTHER DISCLOSURES

Protected Disclosure Act 2012

Compliance with the *Protected Disclosures Act* 2012

The *Protected Disclosure Act 2012* encourages and assists people to make disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

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 is a “public body” for the purposes of the Act.

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 the IDC or its board members, officers or employees by contacting IBAC on the contact details provided below. Please note that the IDC is not able to receive protected disclosures.

How can I access the IDC’s procedures for the protection of persons from detrimental action?

The IDC has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about the IDC.

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.

There were no reports of improper conduct during the 2017-18 reporting period.

SECTION 4: OTHER DISCLOSURES

Office-based Environmental Impacts

The IDC strives to implement and improve sustainable practices in its operations. There were no significant office-based environmental impacts during the reporting period because it does not occupy an office or employ staff to manage the IDC's operations. All secretarial, administration and accounting functions are undertaken by Hensgen Partners under a professional services contract.

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 the IDC and are available (in full) on request, subject to the provisions of the *Freedom of Information Act* 1982:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of publications produced by the organisation about itself, and how these can be obtained;
- details of changes in charges raised by the organisation;
- details of major promotional, public relations and marketing activities undertaken by the organisation to develop community awareness of the entity and its services; and
- details of assessments and measures undertaken to improve the occupational health and safety of IDC Committee members.

The information is available on request from:

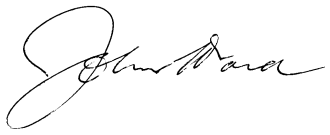
Karen Hensgen
Secretary
Murray Valley Wine Grape Industry Development Committee
Phone: 0409 242 078
Email: idc@mwvi.com.au

Compliance with DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, all data included in this Annual Report will be available at http://www.data.vic.gov.au/ in machine readable format.

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, John Ward, on behalf of the *Murray Valley Wine Grape Industry Development Committee c*ertify that the IDC has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



John Ward
Chairperson
Date: 31st July 2018

FINANCIAL STATEMENTS

For the Year Ended 30 June 2018

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MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE

CERTIFICATION

We certify the attached financial statements for Murray Valley Wine Grape Industry Committee have been prepared in accordance with Standing Direction 5.2 of the Standing Directions of the Minister for Finance under *Financial Management Act 1994,* applicable Financial Reporting Directions, Australian Accounting Standards, Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2018 and the financial position of the Committee as at 30 June 2018.

We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue.

John Ward

Chairperson

David Dawes

Committee member

Signed at Mildura Victoria, 12th September 2018

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE

COMPREHENSIVE INCOME STATEMENT

For the Year Ended 30 June 2018

	Notes	2018 $	2017 $
REVENUE			
Levy Income	2.1	308,185	288,353
Return of Unspent Project Funds		-	31,210
Interest Income		270	840
Total Income		308,455	320,403
EXPENSES			
Project Expenditure	3.1	170,000	317,865
Auditor's Remuneration	3.2	5,641	5,459
Other Expenses	3.3	54,683	61,944
Total Expenses		230,324	385,268
NET RESULT FOR YEAR		78,131	(64,865)
TOTAL COMPREHENSIVE RESULT FOR THE YEAR		78,131	(64,865)

This statement should be read in conjunction with the accompanying notes.

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE

BALANCE SHEET

As at 30 June 2018

	Notes	2018 $	2017 $
ASSETS			
Current Assets			
Cash and Cash Equivalents	4a	176,162	180,376
Receivables	5	731	34,330
Total Current Assets		176,893	214,706
Total Assets		176,893	214,706
LIABILITIES			
Current Liabilities			
Levies in Advance	6	39,914	156,727
Payables	7	13,800	12,931
Total Current Liabilities		53,714	169,658
Total Liabilities		53,714	169,658
Net Assets		123,179	45,048
EQUITY			
Contributed Capital		36,311	36,311
Accumulated Surplus	10	86,868	8,737
Total Equity		123,179	45,048

This statement should be read in conjunction with the accompanying notes.

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2018

	Contributed Capital	Accumulated Funds	TOTAL
	$	$	$
BALANCE AS AT 1 JULY 2016	36,311	73,602	109,913
NET RESULT	-	(64,865)	(64,865)
BALANCE AS AT 30 JUNE 2017	36,311	8,737	45,048
NET RESULT	-	78,131	78,131
BALANCE AS AT 30 JUNE 2018	36,311	86,868	123,179

This statement should be read in conjunction with the accompanying notes

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2018

	Note	2018	2017
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Levies Collected		223,372	433,617
GST Refunded		18,380	36,787
Interest received		270	840
Payments to Suppliers		(246,236)	(420,857)
NET CASHFLOWS FROM OPERATING ACTIVITIES	4b	(4,214)	50,387
NET INCREASE/(DECREASE) IN CASH		(4,214)	50,387
CASH AT BEGINNING OF YEAR		180,376	129,989
CASH AT END OF YEAR	4a	176,162	180,376

This statement should be read in conjunction with the accompanying notes

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE

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

NOTE 1. STATEMENT OF ACCOUNTING POLICIES

Statement of Compliance

The financial report is a general purpose financial report which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards and Interpretations (AASs). AASs include Australian equivalents to International Financial Reporting Standards.

The financial statements also comply with relevant Financial Reporting Directions (FRD) issued by the Department of Treasury and Finance (DTF) and relevant Standing Directions (SD) authorised by the Minister for Finance.

In complying AAS's, the entity has, where relevant, applied those paragraphs applicable to not-for-profit entities.

The Murray Valley Wine Grape Industry Development Committee ("IDC","Committee"), was established by the Murray Valley Wine Grape Industry Development Order 2016 (the Order) under the *Agricultural Industry Development Act 1990* to collect and administer charges (levies). The charges are applied to wine grape producers in Mildura and Swan Hill, and the Shire of Gannawarra (excluding the former Shire of Cohuna in Victoria) and the Local Government Areas of Wentworth, Balranald and Wakool in New South Wales in return for the provision of specified services in the Order.

Basis of accounting

This financial report has been prepared on the accrual and going concern basis.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Revenue

Revenue from levies is recognised on advice from wineries for wine grape growers levied based on this information.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax.

b. Receivables

Accounts receivable include amounts for levies due. Receivables are expected to be collected within 12 months of the end of the reporting period and classified as current assets.

NOTE 1. STATEMENT OF ACCOUNTING POLICIES (Cont.)

c. Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the entity during the reporting period which remain unpaid, which includes any GST payments or receivables. The balance is recognised as a current liability.

d. Cash on Hand and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term and 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.

e. Income Tax Status

The activities of the entity are exempt from income tax.

f. Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST). Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable, or payable, is disclosed in the Balance Sheet.

g. Depreciation

Depreciable assets with a cost in excess of $500 are brought to account and depreciation is provided over their estimated life to the Committee using the Diminishing Value depreciation method. The Committee has not held any Fixed Assets during the year ended 30 June 2018.
(2017: $NIL)

h. 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:

NOTE 1. STATEMENT OF ACCOUNTING POLICIES (Cont.)

h. Financial Instrument (cont.)

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.

i. Pending Accounting Standards

There are no pending accounting standards that are likely to impact on the financial statements of the Committee.

NOTE 2. REVENUE

	2018	2017
	$	$
2.1 Levy Income		
Compulsory Levies	308,185	288,353
	308,185	288,353

NOTE 3. EXPENSES

	2018	2017
	$	$
3.1 Project Expenditure		
Bio-security Management	-	7,912
Field Day Participation	-	1,478
Grower Communications	56,916	57,187
Industry Development Officer	53,156	121,974
Information Collection & Database Management	33,737	34,250
Integrated Pest Management Monitoring	-	4,252
Production Support	14,366	-
Spray Diary	-	1,635
Spray Drift Awareness	-	2,520
Vine Spring Health	-	3,108
Weather Stations Development/Maintenance	9,680	11,346
Winegrape Crush Survey	2,145	2,240
Wine Grape Industry Development	-	59,483
Winery Liaisons	-	10,480
	170,000	317,865
3.2 Auditors Remuneration		
External Audit Fee - Victorian Auditor General	5,641	5,459
3.3 Other Expenses		
Accountancy Fees	6,801	6,696
Advertising	454	591
Annual Report Expenses	8,041	7,980
Bank Charges	204	345
Committee Meetings, Allowance & Travel	8,467	8,999
Grower Communications	6,575	6,043
Consulting Fees	8,300	8,300
Insurance	2,183	2,183
Order Renewal Expenses	-	6,349
Printing, Postage & Stationery	910	1,161
Secretarial	12,748	13,297
	54,683	61,944

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE

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

NOTE 4. CASH ASSETS

	2018	2017
	$	$
a. Cash and Cash Equivalents		
Cheque Account	61,860	15,744
Cash Management Account	114,302	164,632
Total Cash and Cash Equivalents	176,162	180,376
b. Reconciliation of net result to net cash inflow/(outflow) from operating activities		
Net Result for year	78,131	(64,865)
(Increase)/Decrease in Receivables	33,599	(13,279)
Increase/(Decrease) in Levies in Advance	(116,813)	129,025
Increase/(Decrease) in Payables	868	(494)
Net Cash Inflows/(Outflows) from Operating Activities	(4,215)	50,387

NOTE 5. RECEIVABLES

Accounts Receivable	-	34,330
GST Receivable	731	-
Total Receivables	731	34,330

NOTE 6. LEVIES IN ADVANCE

Compulsory Levies paid prior to July	27,214	156,727
Voluntary Levies held in Trust	12,700	-
Total Levies in Advance	39,914	156,727

NOTE 7. PAYABLES

GST Payable	-	2,330
Accounts Payable	4,157	1,682
Credit Card	390	-
Expense Accruals	9,253	8,919
Total Payables	13,800	12,931

NOTE 8. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Committee was not aware of any contingent liabilities or contingent assets at 30 June 2018.

NOTE 9. FUTURE COMMITMENTS

There were no material contractual commitments for expenditure as at 30 June 2018.

NOTE 10. ACCUMULATED SURPLUS

	2018 $	2017 $
Accumulated Surplus at beginning of period	8,737	73,602
Net Result	78,131	(64,865)
Accumulated Surplus at end of period	86,868	8,737

NOTE 11. RELATED PARTY TRANSACTIONS

a. Key Management Personnel

During the date of 1 July 2017 to 30 June 2018, unless otherwise stated, the IDC's key management personnel include:

Key Management Personnel	Position title
The Honourable Jaala Pulford	Minister for Agriculture, VIC
COMMITTEE:	
John Ward, Chairperson	Victorian Grower Representative
David Dawes	NSW Grower Representative
Jan O'Connor	Victorian Grower Representative
Rachael McClintock	Industry Representative
Anthony Mathews	Victorian Grower Representative
Graeme Thornton	Industry Representative
Selina Wilson	NSW Grower Representative
Myles Parker	NSW Government Representative
Mara Putnis (Appointed, 17 Dec 17 & Resigned 4 June 18)	Victorian Government Representative
Amanda Ellery (Appointed, 5 June 2018)	Victorian Government Representative
Rachel Lenehan (Ceased, 17 December 2017)	Victorian Government Representative

NOTE 11. RELATED PARTY TRANSACTIONS (cont.)

b. Responsible Persons Remuneration

The Minister of Agriculture, Hon Jaala Pulford is responsible for the IDC, through an Order established under the *Agricultural Industry Development Act 1990* and did not receive any remuneration from the IDC.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and *Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

The Chairman to the Committee is entitled to and has been paid a consulting fee for executive services. The Committee do not receive any remuneration other than reimbursed travel expenses and a meeting attendance allowance. The Committee were paid an attendance allowance of $226 (Chairman $425) per day for attendance at recognised meetings and seminars.

The following person held the position of Committee Secretary during the year. This position is contracted to Hensgen Partners and is responsible for committee administration, secretarial, levy collection and financial management.

Accountable Officer

Karen Hensgen

c. Remuneration of Responsible Officers

	2018 No.	2017 No.
Income Range		
$0 - $9,999	1	1
$10,000 - $19,999	-	-
TOTAL	1	1

	2018 $	2017 $
Short-term employee benefits	8,300	8,300
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based remuneration	-	-
TOTAL REMUNERATION	8,300	8,300
Total number of executives	1	1
Total number of employee equivalents	-	-

d. Related Party Transactions

All related party transactions have been entered into on an arm's length basis.

During the year the IDC accrued minimal industry charge revenue from committee members or their related entities on exactly the same terms as Industry charges raised from other growers. The total value of Industry charges raised from committee members during the year amounted to $9,902.

Outside of normal levy transactions with the IDC, there were no related party transactions that involved committee members, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

NOTE 12. FINANCIAL INSTRUMENTS

The Committee's activities expose it to a variety of financial risks; market risk, credit risk and liquidity risk. This note presents information about the Committee's exposure to each of these risks, and the objectives, policies and processes for measuring and managing risk.

a. Risk Exposures

The main risks the Committee is exposed to through its financial instruments are as follows:

(i) Market Risk

Market risk is the risk that changes in market prices will affect the fair value or future cash flows of the Committee's financial instruments. Market risk comprises interest rate risk, foreign exchange risk and other price risks. The Committee's exposure to market risk is primarily through interest rate risk, there is no exposure to foreign exchange risk and insignificant exposure to other price risks.

Objectives, policies and processes used to mitigate these risks are disclosed in the paragraphs below:

(ii) Interest Rate Risk

The Committee's exposure to market interest rates relates primarily to the Committee's funds invested with approved financial institutions.

The Committee has minimal exposure to interest rate risk through its holding of cash assets and other financial assets. The Committee complies with Department of Treasury and Finance policies in this regard.

(iii) Other Price Risk

The Committee has no exposure to other price risk.

b. Market Risk Sensitivity Analysis

The sensitivity analysis reported in Table 12b discloses the impact on net operating result and equity for each category of financial instruments held by the Committee at year end after taking into consideration future expectations, economic forecasts, management's knowledge and experience of the financial markets.

The Committee cannot be expected to predict movements in market rates and prices; sensitivity analyses are shown for illustrative purposes only. The following movements are “reasonably possible” over the next 12 months: A shift of +100 basis points (1%) and -100 basis points (1%) in market interest rates (AUD) from year-end rates. The following movements are “reasonably possible” over the next 12 months:

NOTE 12. FINANCIAL INSTRUMENTS (cont.)

b. Market Risk Sensitivity Analysis (cont.)

Interest Rate Risk 2018	$	-1% (-100 basis points)		+1% (+100 basis points)	
	Carrying Amount	Result	Equity	Result	Equity
Financial Assets					
Cash & cash equivalents	176,162	(1,762)	(1,762)	1,762	1,762
Receivables	-	-	-	0	0
Total	176,162	(1,762)	(1,762)	1,762	1,762
Financial Liabilities					
Payables	13,800	(138)	(138)	138	138
Total	13,800	(138)	(138)	138	138

Interest Rate Risk 2017	$	-1% (-100 basis points)		+1% (+100 basis points)	
	Carrying Amount	Result	Equity	Result	Equity
Financial Assets					
Cash & cash equivalents	180,376	(1,804)	(1,804)	1,804	1,804
Receivables	34,330	(343)	(343)	343	343
Total	214,706	(2,147)	(2,147)	2,147	2,147
Financial Liabilities					
Payables	10,601	(106)	(106)	106	106
Total	10,601	(106)	(106)	106	106

c. 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 rises primarily from the Committee's receivables.

The Committee's exposure to credit risk at balance dated in relation to each financial asset is the carrying amount of those assets as indicated in the Balance Sheet.

d. Liquidity Risk

Liquidity Risk is the risk the Committee will not be able to meet its financial obligations as they fall due. The Committee's policy is to settle financial obligations within 30 days and in the event of a dispute make payments within 30 days from the resolution.

The Committee manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecasts and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

NOTE 12. FINANCIAL INSTRUMENTS (cont.)

e. Interest Rate Risk

The following table sets out the Committee's exposure to interest rate risk:

		Fixed interest maturing in:					
30 June 2018	Weighted Average Interest Rate	Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non interest bearing	TOTAL
	$	$	$	$	$	$	$
Financial Assets							
Cheque Account	0.0%	61,860	-	-	-	-	61,860
Cash Management	0.5%	114,302	-	-	-	-	114,302
Receivables	0.0%	-	-	-	-	-	-
Total		176,162	-	-	-	-	176,162
Financial Liabilities							
Payables	-	-	-	-	-	13,800	13,800

		Fixed interest maturing in:					
30 June 2017	Weighted Average Interest Rate	Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non interest bearing	TOTAL
	$	$	$	$	$	$	$
Financial Assets							
Cheque Account	0.0%	15,744	-	-	-	-	15,744
Cash Management	1.0%	164,632	-	-	-	-	164,632
Receivables	0.0%	34,330	-	-	-	-	34,330
Total		214,706	-	-	-	-	214,706
Financial Liabilities							
Payables	-	-	-	-	-	10,601	10,601

NOTE 12. FINANCIAL INSTRUMENTS (cont.)

f. Fair Valuation

Financial Instrument	Total carrying amount per balance sheet	Aggregate net fair value
	2018 $	2018 $
Financial Assets		
Cash	176,162	176,162
Receivables	-	-
Total Financial Assets	176,162	176,162
Financial Liabilities		
Payables	13,800	13,800
Total Financial Liabilities	13,800	13,800

Financial Instrument	Total carrying amount per balance sheet	Aggregate net fair value
	2017 $	2017 $
Financial Assets		
Cash	180,376	180,376
Receivables	34,330	34,330
Total Financial Assets	214,706	214,706
Financial Liabilities		
Payables	10,601	10,601
Total Financial Liabilities	10,601	10,601

Net Fair Values

The following methods and assumptions are used to determine the net fair value of financial assets and liabilities.

Cash : The carrying amount approximates fair value because of the short term to maturity.

Receivables : The carrying amount approximates fair value because of the short term to maturity.

Payables : The carrying amount approximates fair value because of the short term to maturity.

NOTE 13. EVENTS AFTER BALANCE DATE

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operation of the Committee, the results of those operations, or the state of affairs of the Committee in future financial years.

Independent Auditor's Report

Victorian Auditor-General's Office

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

Opinion	I have audited the financial report of the Murray Valley Wine Grape Industry Development Committee (the committee) which comprises the: • balance sheet as at 30 June 2018 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including significant accounting policies • committee's certification. In my opinion the financial report presents fairly, in all material respects, the financial position of the committee as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the committee 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 my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Members' responsibilities for the financial report	The Members of the committee are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Members are responsible for assessing the committee'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 it is inappropriate to do so.

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Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 the committee's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members
- conclude on the appropriateness of the Members' 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 the committee's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the committee 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.

I communicate with the Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
17 September 2018

Simone Bohan
as delegate for the Auditor-General of Victoria

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.

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FRD 22H	Nature and range of services provided	Page 6
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FRD 22H	Organisational structure	Page 15
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FRD 8D	Budget portfolio outcomes	N/A
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FRD 22H	Occupational health and safety policy	Page 20
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FRD 22H	Compliance with building and maintenance provisions of *Building Act 1993*	Page 22
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FRD 22H	Disclosure of ICT expenditure	Page 21
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FRD 13	Disclosure of Parliamentary Appropriations	NA
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	Page 20
FRD 103G [pending]	Non-Financial Physical Assets	NA
FRD 110A	Cash Flow Statements	Page 30
FRD 112D	Defined Benefit Superannuation Obligations	NA

Note:

(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are of the nature of disclosure.

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