



**Government
of South Australia**

**Phylloxera and Grape Industry Board of South
Australia (trading as Vinehealth Australia)
2020-21 Annual Report**

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

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To:

Hon. David Basham (MP)

Minister for Primary Industries and Regional Development

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

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

Submitted on behalf of the Phylloxera and Grape Industry Board of South Australia (trading as Vinehealth Australia) by:

A handwritten signature in black ink, appearing to be 'Inca Lee', with a long horizontal stroke extending to the right.

Inca Lee
CEO

31 July 2021

From the Chief Executive

2020/21 was a challenging year for most, and Vinehealth Australia was not immune. Through the turmoil of COVID-19 restrictions, we continued our sharp and successful focus on protecting the South Australian grape and wine industry from pest and disease incursions.

In March we officially launched our new Vinehealth Australia Strategic Agenda 2021 to 2026, which continues the biosecurity momentum created under our previous strategic plan, Towards 2020.

Our new plan identifies five priority areas essential to making the industry more resilient and future focused, and fulfils the functions detailed in our governing Act, the *Phylloxera and Grape Industry Act 1995*.

Those priority areas are:


1. Creating solutions across the supply chain
2. Minimising pest impacts
3. Shaping the regulatory environment
4. Advancing our close connection with all stakeholders
5. Cementing our capacity and capability to lead

Another key piece of work is the new South Australian Phylloxera Response Plan, which we are creating in partnership with PIRSA. This is currently in draft form. The Response Plan is a contemporary, detailed and practical resource that will enable PIRSA and Vinehealth Australia to effectively respond to a phylloxera outbreak to minimise the impact on grape and wine businesses.

We have also progressed the development of the new Digital Biosecurity Platform, which will replace the Register and transform biosecurity management in South Australia. We've appointed a technology partner and completed a discovery phase. We're now working through funding opportunities to build the platform.

We continue to operate deficit financial budgets, as the cost of doing business increases, the number of activities we need to do increases in response to a rapidly changing and complex biosecurity landscape, and our levy continues at the same rate as set in 1996. To that end, we will commence conversations with industry next year, to ensure we have sustainable funding to fulfil our primary functions.

Finally, throughout 2020-21 we have continued to work alongside PIRSA to investigate biosecurity incidents and to respond to incursions in our industry. We have invested significant time in supporting the fruit fly response in South Australia to ensure industry had up to date information regarding movement restrictions they needed to comply with.

A handwritten signature in black ink, appearing to be 'Inca Lee', with a long horizontal stroke extending to the right.

Inca Lee

CEO

Vinehealth Australia

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Overview: about the agency

Our strategic focus

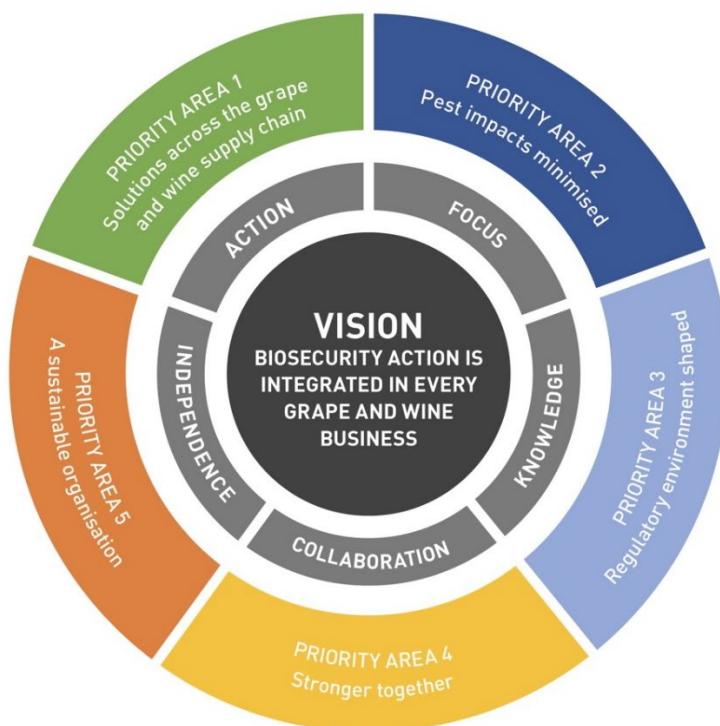
Our Purpose	<p>To foster a profitable, sustainable and reputable grape and wine industry, by working alongside growers, winemakers, propagation specialists and government to protect vines from biosecurity risk and to advance vine health.</p> <p>As stated in the <i>Phylloxera and Grape Industry Act 1995</i>, Vinehealth Australia's role is: 'To provide for the protection of vineyards from disease and to assist and support the grape industry in South Australia.'</p>
Our Vision	<p>Biosecurity action is integrated in every grape and wine business.</p>
Our Values	<p>Our values drive how we behave and deliver benefits to the grape and wine industry:</p> <p>Knowledge</p> <p>Pursuing new knowledge to empower evidence-based decision making by industry and government.</p> <p>Action</p> <p>Completing targeted, high impact biosecurity activities that deliver measurable change in biosecurity practices by industry, government and other priority stakeholders.</p> <p>Collaboration</p> <p>Partnering with grape and wine businesses, government, researchers and industry bodies to drive accountability for biosecurity and to leverage resources.</p> <p>Focus</p> <p>Investing in biosecurity initiatives that support the state's growth agenda and the industry's enviable reputation for quality and heritage.</p> <p>Independence</p> <p>Honouring our status as an independent statutory authority, as defined by our governing Act, and working to create enduring value for industry through ongoing strategic review and performance monitoring.</p>
Our functions, objectives	<p>Legislative functions:</p> <ul style="list-style-type: none"> • Ten primary functions: <ol style="list-style-type: none"> 1. to identify and assess —

<p>and deliverables</p>	<ol style="list-style-type: none"> a. the relative threat to the State's vineyards posed by phylloxera and other diseases; and b. the risk of spreading diseases through the movement of machinery, equipment, vines and other vectors into and within the State; <ol style="list-style-type: none"> 2. to develop policies in relation to — <ol style="list-style-type: none"> a. appropriate restrictions on or conditions for the movement of machinery, equipment, vines and other vectors into and within the State to prevent the spread of disease; and b. the quarantine of vines that are or may be affected by disease; and c. appropriate measures for the control of outbreaks of disease in the State; 3. to develop plans for the eradication of disease in the State's vineyards; 4. to support and encourage the conduct and evaluation of research into — <ol style="list-style-type: none"> a. disease resistance and tolerance of rootstocks and scions; and b. diseases that affect or may affect vines, and any matter relating to such diseases, including their control; 5. to publish the results of relevant research; 6. to promote awareness of the dangers of disease (as defined in the Act) among the public and people involved in grape growing or winemaking; 7. to disseminate information on disease and work practices or industry codes of practice that would minimise the risk of disease, or its spread, to people involved in grape growing or winemaking; 8. to approve nurseries (whether within or outside the State) that are capable of producing propagative material that is free of specified diseases or industry-based accreditation schemes for such nurseries; 9. subject to subsection 13(3) of the Act, to collect and, on request by an interested person, supply data relating to vineyards and vine health in South Australia; 10. to perform the other functions assigned to the Board by or under this Act or by the Minister. <ul style="list-style-type: none"> • Maintain a Register of all vineyards planted in South Australia.
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- Manage a system to levy, collect and recover contributions owing to Vinehealth, pursuant to section 23 of the Act.
- Inspectors under the *Plant Health Act 2009* ex officio.
- Determine the appropriate action to take in the event of an outbreak, jointly managing the outbreak and providing ongoing advice to the Minister regarding the outbreak.

Vinehealth Australia's Strategic Agenda 2021-2026

Pursuant to section 18 of the *Phylloxera and Grape Industry Act 1995*, through 2020-21 the Board and Management of Vinehealth Australia, in consultation with industry, developed a new five-year Strategic Agenda. This Agenda sets out five priority areas, with a target articulated for each as depicted below.



Target: Priority Area 1

A stronger, active defence against vineyard pest threats, with biosecurity practices integrated into everyday operations and access to high-health planting material.

Target: Priority Area 2

The impact of an incursion on assets, people and profitability is minimised, providing business continuity for growers, winemakers and other entities along the supply chain.

Target: Priority Area 3

A responsive and robust biosecurity regulatory system, respected and complied with by industry.

Target: Priority Area 4

An active and connected network across the South Australian grape and wine supply chain, with impact and results extending across the country.

Target: Priority Area 5

A sustainable organisation with expertise, systems and resources, that delivers exceptional outcomes.

Our organisational structure

Management

Vinehealth Australia is a small agency with four employees as at 30 April 2021. Vinehealth Australia has a mix of full time and part time staff, with 3.6 full time equivalents in 2020-21.

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

The Chief Executive Officer reports to the Board of Vinehealth Australia. [Click here](#) for profiles on current staff and the Vinehealth Australia organisational chart.

Board

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

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

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

Board members

Current board members are:

Dr Prue McMichael
Dr Jo Luck
Mr Alex Sas
Mr Richard Barrett
Dr Sally Troy
Dr Ross Meffin
Mr Alec Gilbert

Dr Prue McMichael was re-elected as Chair of the Board in July 2020 and has been a member of the board since 2016. [Click here](#) for profiles on current board members and Chair.

Changes to the agency

During 2020-21 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister

The Hon. David Basham MP, Minister for Primary Industries and Regional Development is responsible for the *Phylloxera and Grape Industry Act 1995*.

Our Executive team

Inca Lee, Chief Executive Officer

Inca is responsible for ensuring the delivery of Vinehealth Australia's strategic plan and annual operating plan.

Suzanne McLoughlin, Technical Manager

Suzanne is responsible for the provision of technical specialist biosecurity advice to industry and government. For industry, this includes the development, analysis and communication of technical knowledge, policies and initiatives relating to biosecurity and general vine health. For government, this includes providing technical advice on all industry biosecurity-related matters under the SA Plant Quarantine Standard and providing technical expertise into response activities for quarantine-related incidents, incident tracing and vineyard surveillance.

Legislation administered by the agency

Phylloxera and Grape Industry Act 1995

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

Department of Primary Industries and Regions (PIRSA), incorporating Biosecurity SA.

The agency's performance

Performance at a glance

Priority area 1: Solutions across the grape and wine supply chain

- Prototype design of fit-for-purpose disposable shoe cover delivered with UniSA. Commercialisation options are now being explored.
- Development of a new 'Biosecurity for vineyard contractors and their customers' training package completed.
- Completed stage 1 of a project to quantify grapevine rootstock supply and demand and identify key factors that influence the grafted vine supply chain.
- Led a collaborative consortium of five Australian parties to develop and submit a response to Wine Australia's Request for Proposal (RFP) on best practice management of grapevine viruses in Australia.

Priority area 2: Pest impacts minimised

- Provided support to PIRSA to respond to 16 plant pest biosecurity incidents.
- Provided significant biosecurity expertise and response support to PIRSA for the Riverland and Adelaide metropolitan fruit fly outbreaks to PIRSA.
- New comprehensive Phylloxera Response Plan for South Australia drafted in partnership with PIRSA.

Priority area 3: Regulatory environment shaped

- Negated additional quarantine requirements for companies transiting winegrape loads through the Riverland fruit fly affected areas.
- Continued to encourage state governments and national industry bodies to develop a National Phylloxera Management Strategy to ensure the grape and wine industry is protected through a robust national system.
- Undertook a comprehensive review of Agriculture Victoria's three-year phylloxera research project report. Also completed a review of Agriculture Victoria's project application to Wine Australia for a new three-year phylloxera research project.
- Completed a comprehensive review of the draft Mornington Peninsula Phylloxera Survey Snapshot (rezoning project) July 2020.
- Pause-point system for biosecurity accreditations designed with PIRSA in response to industry feedback.

Priority area 4: Stronger together

- Continued to lead the conversation about wine biosecurity in Australia through news articles, feature articles, videos and case studies in the media and on our website.
- Continued to support vineyard owners, regional associations and the Department for Environment and Water during the autumn prescribed burns season in the Adelaide & Mount Lofty Ranges Region.
- Assisted industry and government on quarantine-related enquiries.
- CEO appointed as Australia's delegate to the intergovernmental International Organisation of Vine and Wine (OIV) working group titled 'Xylella in Viticulture'.

Priority area 5: A sustainable organisation

- Continued to maintain the State's unique Register of vineyard plantings. This core asset is used by Vinehealth for all preparedness, prevention and response activities.
- Management of levy collection and recovery system.
- Developed and launched the Vinehealth Australia Strategic Agenda 2021-2026.
- Developed a proposal for industry consultation on new rules and rates for contributions payable under the *Phylloxera and Grape Industry Act 1995*, to ensure adequate funding for Vinehealth to perform its statutory functions.
- Completed the Discovery Phase for a new Digital Biosecurity Platform (DBP) to replace the current Register, with the DBP now ready for build pending funding.
- Continued to liaise with PIRSA on the development of a new Biosecurity Act for the State, and the link with Vinehealth Australia's governing Act.

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	<ul style="list-style-type: none"> • A strong and successful South Australian wine industry provides employment in regional areas and supports employment in related industries such as tourism and hospitality. • A strong South Australian biosecurity industry provides career and investment options for innovative individuals and businesses.
Lower costs	<ul style="list-style-type: none"> • Preventing the entry of pests into vineyards saves the wine industry money in terms of additional management inputs and regulatory impost needed when new pests are introduced. • Preventing the entry of pests also protects the value of vineyards. • Effectively containing or eradicating pests during an incursion minimises financial impacts on grape and wines businesses.
Better Services	<ul style="list-style-type: none"> • Vinehealth Australia's commitment to continuous improvement delivers a sustainable and effective biosecurity organisation in South Australia. • Vinehealth Australia's ongoing partnership with industry and government ensures delivery of relevant and valued services to support grape and wine production.

Agency specific objectives and performance

Refer tables on following pages.

Priority area 1: Solutions across the grape and wine supply chain

Agency objectives	Indicators	Performance
A stronger, active defence against vineyard pest threats, with biosecurity practices integrated into everyday operations and access to high-health planting material.	Target projects that promote enhanced biosecurity practices by key risk creators.	<p>Biosecurity for contractors</p> <ul style="list-style-type: none"> • Development of a new 'Biosecurity for vineyard contractors and their customers' training package completed. To be rolled out in 2021-22. <p>Coonawarra rootstock trial</p> <ul style="list-style-type: none"> • Consolidated report on trial completed and published. • New pruning treatments implemented in winter 2020 to adjust bud numbers on some rootstocks to improve vine balance. • 42 vine rootstock replicates harvested in 2021 to measure differences in three yield parameters. <p>Shoe covers</p> <ul style="list-style-type: none"> • Continued collaborative project with UniSA to design a fit-for-purpose disposable shoe cover that will provide a simple, rapid alternative to footwear disinfestation for SA vineyards and wineries to minimise the risk of pest, disease and weed introduction and spread by footwear in our vineyards. <ul style="list-style-type: none"> ○ In-field testing of a range of prototypes completed to refine design and materials. ○ Final prototype design produced. ○ Legal arrangements to be established and a local manufacturer sourced in 2021-22. <p>Signage</p> <ul style="list-style-type: none"> • Continued production of consumer-facing signs, farmgate hygiene signs and disinfestation kits on request by industry and sales of: <ul style="list-style-type: none"> ○ 120 consumer-facing signs. ○ 45 farm-gate hygiene signs.

Target projects that promote enhanced biosecurity practices by key risk creators (continued).	<p>Community Based Social Marketing (CBSM)</p> <ul style="list-style-type: none"> During 2020-21, jointly with Wine Australia, we worked with CBSM expert Doug McKenzie-Mohr on a project to design activities to encourage a particular behaviour related to improved biosecurity practices. Project is ongoing.
Quantify the adoption of farm-gate hygiene practices by vineyard owners biennially to direct future investment.	<ul style="list-style-type: none"> Design of Vineyard Owners' Survey to measure adoption of farm-gate hygiene practices completed. Survey due for release in mid-2021.
Optimise biosecurity value delivered by the Naracoorte Heat Shed.	<ul style="list-style-type: none"> Operation of Heat Shed maintained. Preventative maintenance schedule ongoing.
Drive improved virus management by the propagation sector.	<ul style="list-style-type: none"> Member of Virus Reference Committee tasked with improving grapevine virus diagnostic testing. Led a consortium of five Australian parties to develop and submit a response to Wine Australia's Request for Proposal (RFP) on best practice management of grapevine viruses in Australia. The consortium proposed to harness key expert capabilities, skills, experience, and knowledge of each party across all areas in the RFP and would have enhanced Australia's capacity to manage viruses. Unfortunately, the consortium was unsuccessful.
Review accreditation schemes for grapevine propagation in consultation with the sector to improve the availability of high-health planting material.	<ul style="list-style-type: none"> Ongoing discussions held with the South Australian Vine Improvement Association as to how Vinehealth can support the development of standards and accreditation schemes for the propagation sector.

	<p>Quantify rootstock supply demand balance and identify key levers to adjust supply, cost and quality.</p>	<ul style="list-style-type: none"> • Engaged expert to undertake project titled 'Addressing rootstock shortages for the wine industry'. This solution will deliver a roadmap to efficiently increase production of high-health rootstocks, ideally at a lower price, for the benefit of all SA (and Australian) wine producers. • Completed stage 1 to quantify grapevine rootstock supply and demand and identify key factors that influence the grafted vine supply chain.
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Priority area 2: Pest impacts minimised

Agency objectives	Indicators	Performance
The impact of an incursion on assets, people and profitability is minimised, providing business continuity for growers, winemakers and other entities along the supply chain.	Profile biosecurity risks to South Australian vineyards to drive preparedness and prevention activities.	<ul style="list-style-type: none"> • We are targeting biosecurity knowledge among our stakeholders in our 2021 Vineyard Owners' Survey and will use the survey results in our ongoing educational work.
	Transform South Australia's Phylloxera Response Plan, in partnership with PIRSA, to meet current operating environment and challenges.	<ul style="list-style-type: none"> • Comprehensive draft of new Phylloxera Response Plan for South Australia completed in partnership with PIRSA. • Draft of Phylloxera Industry Preparedness and Response Repository completed. • Implementation Plan due for completion in 2021-22.
	Challenge the South Australian industry's readiness for a pest incursion through simulations and evaluating the integration of preparedness measures by grape and wine businesses and government.	<ul style="list-style-type: none"> • Simulations to be considered as part of the implementation of the Phylloxera Response Plan in 2022.

	<p>Invest in Vinehealth Australia's ability to support PIRSA respond to an incursion that impacts the grape and wine industry.</p>	<ul style="list-style-type: none"> • Provided support to PIRSA to respond to 16 plant pest biosecurity incidents: <ul style="list-style-type: none"> ○ 4 endemic plant pest incident investigations. ○ 1 joint vine health incident investigation for an exotic plant pest. ○ 2 pieces of advice to PIRSA on potential quarantine pests and implications for industry. ○ 2 pieces of advice to PIRSA on quarantine import issue on grapevine material/equipment. • Fruit fly response <ul style="list-style-type: none"> ○ 7 fruit fly outbreaks (Renmark, Monash, metro Adelaide Medfly, Ridleyton, Cooltong, Berri, Pike River). ○ Fruit fly affected area maps <ul style="list-style-type: none"> ▪ 51 maps produced between 1 January 2021 and 30 April 2021 for changes to the Riverland and metropolitan Adelaide fruit fly affected area boundary to transpose over Vinehealth Australia's SA vineyard layer. ○ 12 rounds of grower contact details provided to PIRSA to assist them in calling affected growers to communicate quarantine requirements related to fruit fly outbreaks in the Riverland and metropolitan Adelaide. ○ Weekly government/industry teleconferences attended for briefings on current outbreak situation. ○ 4 industry meetings attended/facilitated – 3 in the Riverland and 1 in Adelaide Hills. ○ Sizeable increase in phone support to industry for sending and receiving winegrapes associated with Fruit Fly Affected Areas, including:
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		<ul style="list-style-type: none"> ▪ understanding conditions of movement. ▪ understanding biosecurity documentation options and how to complete. ○ Development of 3 Biosecurity Bulletins outlining operational and movement requirements in the event of fruit fly outbreaks. ○ Assistance to PIRSA on refining fruit fly-related certification and accreditation documentation for industry. • Response activated within 24 hours of notification of a suspected or confirmed exotic or significant endemic pest. • 100% completion of incident management reporting requirements.
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Priority area 3: Regulatory environment shaped

Agency objectives	Indicators	Performance
A responsive and robust biosecurity regulatory system, respected and complied with by industry.	Address high priority regulatory risks through policy action and advocacy.	<p>Transiting of winegrape loads through Riverland fruit fly affected areas</p> <ul style="list-style-type: none"> Paper completed for PIRSA as part of discussions with the Commonwealth to describe the wine industry's comprehensive traceability system of winegrape loads. Successful argument in negating additional quarantine requirements for transiting loads. <p>Mornington Peninsula rezoning</p> <ul style="list-style-type: none"> Comprehensive review of the draft Mornington Peninsula Phylloxera Survey Snapshot July 2020 completed. Resulting policy position shared with PIRSA, National Wine Biosecurity Committee and Agriculture Victoria with additional information sought from Agriculture Victoria to enable full risk evaluation to SA industry. <p>Empty produce bins</p> <ul style="list-style-type: none"> Compilation of statistics for PIRSA for viticulture (2020) and horticulture produce bin movements (May 2018 to Jan 2020) into South Australia via Yamba. Findings validated need for increased focus on horticulture produce bin cleanliness relating to fruit fly risk. <p>The CEO of Vinehealth has been appointed as Australia's delegate to the International Organisation of Vine and Wine (OIV) – Intergovernmental Organisation, working group titled 'Xylella in Viticulture'. This working group falls under Commission I Viticulture of the OIV, specifically the PROTEC (Vine Protection and viticulture techniques) expert group.</p>

	<p>Assist the South Australian government to ensure regulatory management of phylloxera is based on up-to-date risk profiling, scientific knowledge and industry insights.</p>	<ul style="list-style-type: none"> • Conducted a comprehensive review of the final Agriculture Victoria three-year phylloxera research project report. New scientific knowledge from this work is scheduled for distribution to industry in the second half of 2021. A review of the final project application to Wine Australia by Agriculture Victoria for a new three-year phylloxera project was also completed. • Active participation in PIRSA Plant PIC-Industry Scoping Study and review of draft report. • Review and feedback provided to PIRSA on Phylloxera Area Freedom Certificate wording.
	<p>Influence the development of a national strategy for the management of phylloxera.</p>	<ul style="list-style-type: none"> • 2 documents drafted for national phylloxera management strategy project group to review and refine: <ul style="list-style-type: none"> ○ Terms of reference. ○ Briefing paper detailing potential scope of work.

	<p>Educate entities across the supply chain on their biosecurity regulatory obligations.</p>	<p>Empty winegrape bins</p> <ul style="list-style-type: none"> Analysis by Vinehealth Australia of statistics collected on produce bins entering SA via Yamba, identified producers importing the highest quantities of empty winegrape bins into the state. This enabled direct communication from Vinehealth Australia to these businesses to support compliance with SA's Plant Quarantine Standard for empty bin movement. <p>Quarantine-related enquiries</p> <ul style="list-style-type: none"> Requests from industry and government on compliance with state plant quarantine standards responded to within 24 hours and represent 53% of service request enquiries to Vinehealth Australia – this proportion is a significant increase from 33% in 2019-20 and indicative of the vast increase in incident response activities during 2020-21. <p>Maps</p> <ul style="list-style-type: none"> Ongoing maintenance of the Phylloxera Management Zones in Australia map for the national grape and wine industry.
	<p>Review key operational procedures for biosecurity accreditation schemes and provide recommendations for improvement to PIRSA.</p>	<ul style="list-style-type: none"> Comprehensive review completed and feedback provided to PIRSA on wine grape-related Inspector's Direction Certificate templates for use as part of the fruit fly response. Review completed for PIRSA of New South Wales' updated draft ICA-33 procedure incorporating new wording to address meeting South Australia's empty winegrape bins requirements. Worked with PIRSA to design a pause point system to minimise cost and time for both industry and PIRSA in situations where businesses pre-emptively apply for accreditations in fruit fly outbreak situations.

Priority area 4: Stronger together

Agency objectives	Indicators	Performance
An active and connected network across the South Australian grape and wine supply chain, with impact and results extending across the country.	Critique the maturity of the wine industry to manage current and emerging biosecurity risks.	<ul style="list-style-type: none"> Active member of the Wine Biosecurity Committee, continuing to bring biosecurity issues to the attention of the Committee for discussion.
	Deliver influential multi-channel communications campaigns focused on biosecurity behaviour change for key risk creators across the supply chain.	<ul style="list-style-type: none"> Delivery of the Vinehealth Australia Communications Strategy 2020-2022 which targets behaviour change and covers: <ul style="list-style-type: none"> Projects and campaigns Content Industry engagement Media and PR Increase in face-to-face presence, particularly in South Australian regions. Continued use of multiple communications platforms, particularly digital channels. Continued creation of compelling content that is widely shared. Continued focus on ensuring high priority website content is easy to find.

	<p>Elevate partnerships with state and regional wine associations to create regional biosecurity champions.</p>	<ul style="list-style-type: none"> • Weekly email updates to South Australian wine industry regional and state associations, sharing biosecurity tips, alerts, resources and news. • Presentations on biosecurity and activities at a range of industry and government forums. <p>Committees</p> <ul style="list-style-type: none"> • Vinehealth Australia CEO Chairs the Industry Reference Group for Wine Australia / Agriculture Victoria funded phylloxera project. • Member of the Wine Biosecurity Committee chaired by Australian Grape & Wine.
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	<p>Drive digital communication in the wine industry, achieving industry-leading results with newsletter open rates and website users.</p>	<p>Website</p> <ul style="list-style-type: none"> Continued investment in creating new content and maintaining the website. Continued focus on engaging with our website users: <ul style="list-style-type: none"> New website users increased by 9.7%. Number of sessions increased by 8.7%. Average session duration decreased by 6.1%. 101 news articles and case studies focused on biosecurity written and published on our website. 8 Biosecurity Alerts published to warn of immediate threats. 6 Industry Notices published on high priority biosecurity topics relevant to industry. 3 Biosecurity Bulletins published for specific members of the wine supply chain. <p>Social media</p> <ul style="list-style-type: none"> Maintained presence on social media platforms via weekly posts at a minimum. <p>E-News</p> <ul style="list-style-type: none"> 12 issues published. 50% average open rate (industry average 21%). 9% click through rate (agriculture & food services industry average 3%).
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	<p>Elevate partnerships with media to underpin our status as the wine biosecurity expert.</p>	<ul style="list-style-type: none"> • 50 Biosecurity Tips written and provided weekly to Daily Wine News and to all SA regional wine industry associations for their weekly regional newsletters. • Close relationships with key wine, rural and news media maintained. • 21 conversations with media about biosecurity. • 18 feature articles written and published in a wide variety of industry journals, papers, magazines.
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	<p>Deliver on-demand services to the South Australian government and industry using Vinehealth Australia's expertise and assets.</p>	<p>Vineyard Register outputs</p> <ul style="list-style-type: none"> • Analysis of vineyard plantings in South Australia on Vinehealth's Register by variety, area, year planted completed as at 30 April 2021. <ul style="list-style-type: none"> ○ Provision of aggregated and deidentified data to Wine Australia for the 2021 SA Winegrape Crush Survey. ○ For snapshot of data contained in the Register, refer section in this annual report titled, 'Reporting required under any other act or regulation'. • Bushfire response <ul style="list-style-type: none"> ○ Provided grower contact details twice to PIRSA for vineyards impacted by the Cudlee Creek and Kangaroo Island bushfires to assist ongoing recovery activities. ○ Provided grower contact details to PIRSA for vineyards impacted by the Pewsey Vale bushfire. ○ Analysed impact of Cherry Gardens and Blackford bushfires on vineyards and provided assessment to PIRSA. <p>Note: all data provided under strict privacy conditions</p> <p>Prescribed burns with Department of Environment and Water (DEW)</p> <ul style="list-style-type: none"> • Vinehealth Australia acted as a vital conduit between DEW and growers during the autumn prescribed burn season in the Adelaide Hills and Mount Lofty Ranges Region. • Vinehealth Australia contacted growers in Mount Lofty Ranges to advise of 16 proposed prescribed burns by DEW, and to request harvest status. Worked with regional wine associations and DEW to ensure the timing of these burns minimised the risk of smoke taint to unharvested grapes.
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		<p>South Australian Wine Industry Association (SAWIA)</p> <ul style="list-style-type: none"> Review completed of biosecurity-related sections of SAWIA's Environmental Compliance Guidelines. <p>General enquiries</p> <ul style="list-style-type: none"> General requests from industry and government responded to within 48 hours. The number of requests addressed in 2021-21 was 36% higher than in 2019-20. The top 4 service request topics make up 85% of all requests: <ul style="list-style-type: none"> 53% – quarantine matters 12% – request for materials, workshops, presentations, interviews and reviews 11% – Register information 8% – strengthening interstate ties
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Priority area 5: A sustainable organisation

Agency objectives	Indicators	Performance
A sustainable organisation with expertise, systems and resources, that delivers exceptional outcomes.	Build a new Digital Biosecurity Platform that is powered by geospatial data to drive a relationship-rich digital biosecurity ecosystem.	<ul style="list-style-type: none"> Discovery phase completed for Digital Biosecurity Platform build with preferred supplier. This detailed the system requirements, design and architecture, to provide a roadmap for the build. The completion of the Discovery Phase represents a significant milestone → the next step being to commence the build. Investigation of funding opportunities is ongoing.
	Increase the approved rate of contributions and change the investor mix to better reflect biosecurity risk creators and beneficiaries.	<ul style="list-style-type: none"> Developed a proposal for industry consultation on new rules and rates for contributions payable under the <i>Phylloxera and Grape Industry Act 1995</i>. Discussions with industry on the rate for Vinehealth's levy and investor mix was planned for May 2020, however this was deferred due to the pandemic. Re-scheduled for mid-2021, but this has now been cancelled following advice from the Minister (refer section below titled 'Significant issues affecting Vinehealth Australia').

	<p>Efficiently manage contributions payable under the Act and in accordance with rules approved by the Minister.</p>	<p>The Register</p> <ul style="list-style-type: none"> • Ongoing accuracy of vineyard owner, land parcel information and planting details for all SA vineyards of 0.5 hectares and above, enabled through: <ul style="list-style-type: none"> ○ Annual Vineyard record returns sent to all registered owners in December 2020 to capture changes, ○ Ongoing validation of vineyard owners requests for changes to their records via either the online kiosk or by phone. ○ Re-digitisation of Riverland vineyard planted area and identification of new vineyard plantings completed. Process underway to re-digitise the Barossa region. ○ Continued involvement in the conveyancing process during land sale to ensure current owner and planting details are maintained. This included: <ul style="list-style-type: none"> ▪ 260 Section 7 letters generated ▪ 178 sale transactions completed <p>Notice of Assessments</p> <ul style="list-style-type: none"> • Distributed in early June 2020 following approval and gazettal of contribution rates. <p>Debt management</p> <ul style="list-style-type: none"> • Ongoing work to contact growers with outstanding debts.
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	<p>Influence the development of a new Biosecurity Act for South Australia and the strengthening of Vinehealth Australia's governing Act to ensure it remains fit for purpose.</p>	<ul style="list-style-type: none"> • Significant consultation with the South Australian Wine Industry Association (SAWIA), Wine Grape Council of South Australia (WGCSA), industry, PIRSA and the Minister on the proposal to repeal the <i>Phylloxera and Grape Industry Act 1995</i> and consolidate it in the proposed new Biosecurity Act. • Vinehealth requested further information from PIRSA to enable industry to make an informed assessment on whether the <i>Phylloxera and Grape Industry Act 1995</i> should be included or not. • Following consultation, the Minister indicated that it will be at the discretion of the viticulture and wine industry as to whether the <i>Phylloxera and Grape Industry Act 1995</i> is incorporated into the new Biosecurity Act. • Vinehealth lodged a submission in November 2020 in response to the October-November 2020 public consultation phase by PIRSA. • Work will continue with PIRSA in 2021-22 on the link between the <i>Phylloxera and Grape Industry Act 1995</i> and the new Biosecurity Act.
	<p>Continue to optimise organisational strategies, policies and procedures to meet obligations to investors, employees and government.</p>	<ul style="list-style-type: none"> • 7 board meetings held in the reporting period. • Ongoing review of all organisational policies with registers developed to track. • Commenced development of a new organisational risk management framework. • A new 5-year Strategic Agenda for Vinehealth Australia was developed and launched. • Ongoing work by the Board and Management to assess and build the culture and resilience of the organisation. • Participated in workshops in relation to the new government procurement model to determine impact for Vinehealth.

Corporate performance summary

Items for this section are included in Agency specific objectives and performance (above).

Employment opportunity programs

Program name	Performance
In 2020-21 Vinehealth Australia did not recruit any new employees, therefore no employees were recruited through a public sector wide employment opportunity program.	

Agency performance management and development systems

Performance management and development system	Performance
Employee Performance and Development Review (EPDR)	<p>Ongoing informal one-on-one contact with staff to discuss their work priorities and identify support, training or other requirements was critical during 2020 given the pandemic. As such daily and weekly meetings were held (as required) to discuss tasks, deadlines and other matters.</p> <p>From mid-March 2020 all employees worked from home, with transition back into the office (full time for some and part time for others) staggered from the middle of the year.</p> <p>End of year EPDR's were completed for 100% of employees.</p> <p>Planning for 2021-22 for each employee, including setting key performance indicators and development of training plans was completed for 100% of employees.</p>
Discipline Policy (Poor Performance & Serious Misconduct)	This policy was not deployed during the 2020-21 reporting period for employees of Vinehealth Australia.

Work health, safety and return to work programs

Program name	Performance
<p>During the 2020-21 reporting period, all Work Health and Safety policies were maintained. They include:</p> <ul style="list-style-type: none"> • Work Health and Safety policy • Emergency Plan • Office Security Policy • Working Alone on Premises Policy (outside of normal office hours) • Remote Work – Field Work Policy • Travelling for Work Policy (by motor vehicle or other means) • Bullying and Harassment Policy • Incident Reporting and Investigation Policy 	<p>All policies remain effective in providing a rigorous framework for the safety of Vinehealth Australia employees. In addition, at staff meetings, Work, Health and Safety is the first agenda item, providing the opportunity for staff to raise any concerns and for management to action and resolve.</p>
<p>Ongoing program to ensure the safe and effective operation of the Naracoorte Heat Shed.</p>	<p>Preventative maintenance schedule implemented to ensure the safe operating environment of the heat shed,</p>
<p>In response to the COVID pandemic, additional measures were put in place for employees, including:</p> <ul style="list-style-type: none"> • Work from home checklist • Vinehealth COVID safe plan • Training of select employees to improve ability to manage sensitive incoming calls • Regular reporting to the Chair and Board on the wellbeing and safety of employees • In the initial phases of working from home in 2020, daily contact was made with all employees by the CEO, and weekly team meetings held 	<p>These additional measures put in place successfully allowed Vinehealth Australia to:</p> <ul style="list-style-type: none"> • Optimise the wellbeing of employees through such an uncertain period, and • Minimise business disruption and maintain continuity of service. <p>CEO attended weekly (and then fortnight) briefings by Office of the Commissioner for Public Sector Employment regarding COVID. A debrief of information from these meetings was provided to staff at weekly meetings.</p>

Workplace injury claims	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Total new workplace injury claims	0	0	0%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

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

Work health and safety regulations	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	0%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Total gross workers compensation expenditure (\$)	0	0	0%
Income support payments – gross (\$)	0	0	0%

**before third party recovery

Data for previous years is available at: [Vinehealth Australia's website](#)

Executive employment in the agency

Executive classification	Number of executives
Term un-tenured	2

Data for previous years is available at: [Vinehealth Australia's website](#)

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information below is unaudited. Full audited financial statements for 2020-21 are attached (Appendix A) to this report.

Total income for Vinehealth Australia in 2020-21 was \$844,965, down 7% from 2019-20, driven by a 73% decrease in grant income. Income from contributions payable per current rates approved by the Minister (registered persons (vineyard owners) at \$9.50/hectare with a \$50 minimum) under section 23 of the *Phylloxera and Grape Industry Act 1995*, remained stable at \$743,290 given insignificant changes in the total registered vineyard area.

Expenditure decreased by 5% as compared to 2019-20, yielding an overall deficit position of \$79,079 for 2020-21.

This resulted in a 4% decrease in total equity of Vinehealth Australia from \$1,825,469 in 2019-20 to \$1,746,390 in 2020-21. It is important to note that current year levies are invoiced yearly in arrears at the end of the financial year (30 April), therefore, \$752,841 of total equity has yet to be received as at 30 April 2021.

Vinehealth Australia has assets worth \$2,119,478 in 2020-21, a reduction of 7% as compared to 2019-20, and is made up primarily of cash and cash equivalents (\$1,049,950) and \$849,772 in receivables (the largest portion of which are current year levies payable yet to be received).

Liabilities as at 30 April 2021 total \$373,088 being payables (principally creditors, employee on-costs), employee benefits, lease liabilities and non-current financial liabilities relating to right-of-use leases.

Statement of Comprehensive Income	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	2019-20 Actual \$000s
Total Income	796,334	844,965	48,631	909,376
Total Expenses	943,677	924,044	(19,633)	971,526
Net Result	(147,343)	(79,079)	68,264	(62,150)
Total Comprehensive Result	(147,343)	(79,079)	68,264	(62,150)

Statement of Financial Position	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	2019-20 Actual \$000s
Current assets	0	1,899,722	0	1,998,341
Non-current assets	0	219,756	0	271,210
Total assets	0	2,119,478	0	2,269,551
Current liabilities	0	204,414	0	234,040
Non-current liabilities	0	168,674	0	210,042
Total liabilities	0	373,088	0	444,082

Statement of Financial Position	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	2019-20 Actual \$000s
Net assets	0	1,746,390	0	1,825,469
Equity	0	1,746,390	0	1,825,469

Consultants disclosure

The following is a summary of external consultants that have been engaged by Vinehealth Australia, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	\$4,557

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
	Total	\$ 0

Data for previous years is available at: [Vinehealth Australia's website](#)

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by Vinehealth Australia, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$21,527

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Perks & Associates	Integrity audit of levies, monthly accounting services (including, payroll, management accounts, government data provision) and independent external audit of Vinehealth's accounts	\$ 49,594
Hydra Consulting	Development of the Digital Biosecurity Platform	\$ 13,842
Coruscant Digital	Discovery Phase for the Digital Biosecurity Platform	\$ 47,400
Cindie Smart Consulting	Communications contractor	\$ 85,690
Bizhub	Provision of IT services to maintain Register	\$ 10,200
Logic Plus	Provision of monthly IT service and help desk (includes license subscriptions that LP facilitate for Vinehealth)	\$ 21,680
	Total	\$ 228,406

Data for previous years is available at: [Vinehealth Australia's website](#)

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

Other information

Significant issues affecting Vinehealth Australia

A. Lack of sustainable funding for Vinehealth Australia

As indicated in our 2017-18, 2018-19 and 2019-20 Annual Reports, Vinehealth Australia does not have the funding required to perform its statutory functions to the level required and expected by industry and government to address the increasing number and complexity of biosecurity threats. As a result, this increases the exposure of South Australian vineyards to pest threats and an incursion.

As per section 23 of the *Phylloxera and Grape Industry Act 1995*, the Minister for Primary Industries and Regional Development is responsible for approving the rules and rates for contributions payable. These rules are gazetted in the Government Gazette.

A review of Vinehealth Australia's funding position and funding requirements was completed by Deloitte Access Economics in 2019. This included a review of the current contributions payable by industry as the primary source of ongoing income for the organisation. Rates for these contributions have not been adjusted since 1996, despite previous recommendations being made to the Minister of the day.

A range of recommendations to increase funding were presented to the Vinehealth Australia Board in May 2019, from which the new Board confirmed their preferred position in December 2019.

Industry information sessions on Vinehealth's funding position were planned to be held after vintage 2020, but bushfires and COVID-19 put these on hold.

In light of COVID, bushfires and international trade tariff impacts on the wine industry, the Board agreed to defer a levy increase for two years, pending a request to the South Australian Government to provide top up funding of \$200,000 for each of the next two years to prevent ongoing significant deficit budgets. This request was not supported by the State Government.

An additional request in early 2021 to the South Australian Government for assistance in sourcing funding to build Vinehealth Australia's Digital Biosecurity Platform was also declined.

The build of the new Digital Biosecurity Platform is a critical project to enable Vinehealth Australia to continue to deliver its functions as per the *Phylloxera and Grape Industry Act 1995*. The Platform also provides important information to other government agencies for bushfire recovery, prescribed burn planning and implementation, police investigations and water allocations.

The ability of the Platform to accelerate the adoption of AgTech solutions throughout the wine sector in South Australia provides an incredible opportunity and aligns directly with the South Australian AgTech Strategic Plan.

Given Vinehealth Australia was unable to secure additional support from the State Government, the Board of Vinehealth Australia agreed to commence consultation with industry from July 2021 regarding new rules and rates. The intention was that following industry consultation and with industry support, recommendations would be made to the Minister in November 2021. Industry consultation would involve deep and broad discussions with industry at state, regional and individual business level. However, the Minister advised in early July 2021 that it would not be prudent for Vinehealth Australia, at this time, to add to financial uncertainty in the industry by consulting on proposals to change the rate of contributions payable.

Therefore, there will be no change to contributions payable for 2021-22, with revised rules and rates to be considered by the Minister and industry in June 2022.

B. Need for a national strategy on the management of phylloxera

Currently there is no coordinated and documented approach to the management of phylloxera in Australia by government and industry, other than the National Phylloxera Management Protocols (2009) which are acknowledged by industry and state regulators as in need of review.

Importantly, recent detections of phylloxera in Phylloxera Risk Zones surrounding the current Maroondah Phylloxera Infested Zone are of concern. Current industry practices and regulatory management are in urgent need of review to protect the \$45b national grape and wine industry.

The lack of focus and agreement on high priority areas of surveillance and diagnostics, quarantine zones and incursion management are ever-more problematic as wine regions attempt to upgrade their infection status using outdated procedures and protocols, potentially putting SA at risk.

Vinehealth Australia continues to advocate nationally to Australian Grape & Wine, Wine Australia, state jurisdictions and Plant Health Australia for the development of a National Phylloxera Management Strategy, given the significant risk an uncoordinated management approach to phylloxera poses to vineyards across Australia. A briefing paper on this matter has been presented to these organisations.

Risk management

Fraud detected in the agency

No cases of fraud were detected in 2020-21.

Strategies implemented to control and prevent fraud

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

- Provision of Code of Ethics for the SA Public Sector and *Public Sector (Honesty and Accountability) Act 1995* to all employees through their induction program. Staff are also reminded of these responsibilities during performance reviews and development.
- Ongoing promotion to employees during staff meetings regarding the prevention, identification and reporting of actual or suspected instances of fraud.
- Delegations of Authority Policy reviewed and approved by the Board annually.
- The external auditor of Vinehealth Australia reports directly to the Board of Vinehealth Australia on its findings and recommendations.
- Policies and procedures are developed and annually reviewed for all financial operations.
- Information regarding conditions of employment and organisational policies are provided in the Vinehealth Australia Employee Handbook, which is provided during induction.
- Policies and procedures are developed and implemented for the maintenance of vineyard owner records in the Register (pursuant to Section 19 of the *Phylloxera and Grape Industry Act 1995*).
- Vinehealth Australia utilises the services of an external accounting expert to manage payroll and internal financial reporting to management and to the Board, thus providing an additional independent review and verification of accounts and payroll.
- Month end review of management accounts by CEO and external accounting expert.
- Two signatories required on all expenditure (except credit cards), with CEO being the second and final authority.
- Limits on employee purchasing cards reviewed annually and monthly reconciliations completed.
- Annual integrity audit completed by external provider of contributions payable under the *Phylloxera and Grape Industry Act 1995*, to ensure accuracy and to resolve any issues identified.

- Provision of roles and responsibilities, Code of Ethics for the SA Public Sector and *Public Sector (Honesty and Accountability) Act 1995* to Board members at the commencement of their term.
- A conflict of interest register for Board members is maintained and is a standing agenda item at the beginning of all Board meetings.
- Confidentially agreements are entered into with all contractors and consultants to Vinehealth Australia.

Data for previous years is available at: [Vinehealth Australia's website](#)

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

There have been no occasions.

Data for previous years is available at: [Vinehealth Australia's website](#)

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

Act or Regulation	Requirement
<i>Phylloxera and Grape Industry Act 1995</i>	<p>Section 26(1)</p> <p><i>‘The Board must, no later than 31 July each year, submit to the Minister a report on its operations during the financial year of the Board ending on the preceding 30 April.’</i></p> <p>Section 26(2)</p> <p><i>‘The report must incorporate –</i> <i>(a) The audited statement of accounts of the Board for the period to which the report relates; and</i> <i>(b) The five-year plan prepared or revised by the Board under this Act.’</i></p>

Section 26(1)

Reporting on the operations of Vinehealth Australia is contained within this Annual Report in prior sections.

A snapshot of information contained in the Register is provided below.

Snapshot of the Register information for 2020-21

Pursuant to Section 19 of the *Phylloxera and Grape Industry Act 1995*, Vinehealth Australia maintains a Register of persons who own vineyards comprising 0.5 hectares or more of planted vines. The Register contains owner details, parcel and land titles information, vineyard area, grape variety, rootstock and age of vines.

During 2020-21 there was a 169 hectare increase in the total registered vineyard area in South Australia to 76,177 hectares, but a reduction of 25 registered owners to 3,246. Total vineyard area in South Australia has remained relatively static in the range of 75,000 to 79,000 hectares since 2006. The largest area of plantings in 2020-21 was undertaken in the Padthaway wine region, followed by the Barossa. Of new plantings in 2020-21, Shiraz was the most planted red variety by area and Riesling the most planted white variety by area.

The vast majority of South Australia's registered vineyard owners have vineyards that are less than 10 hectares in size, with only a small proportion owning vineyards above 100 hectares in size (Figure 1). The 127 vineyard owners with greater than 100 hectares account for 42% of the vineyard area in South Australia. By comparison the 1,929 vineyard owners with less than 10 hectares of vineyard account for only 11% of total vineyard plantings in the state.

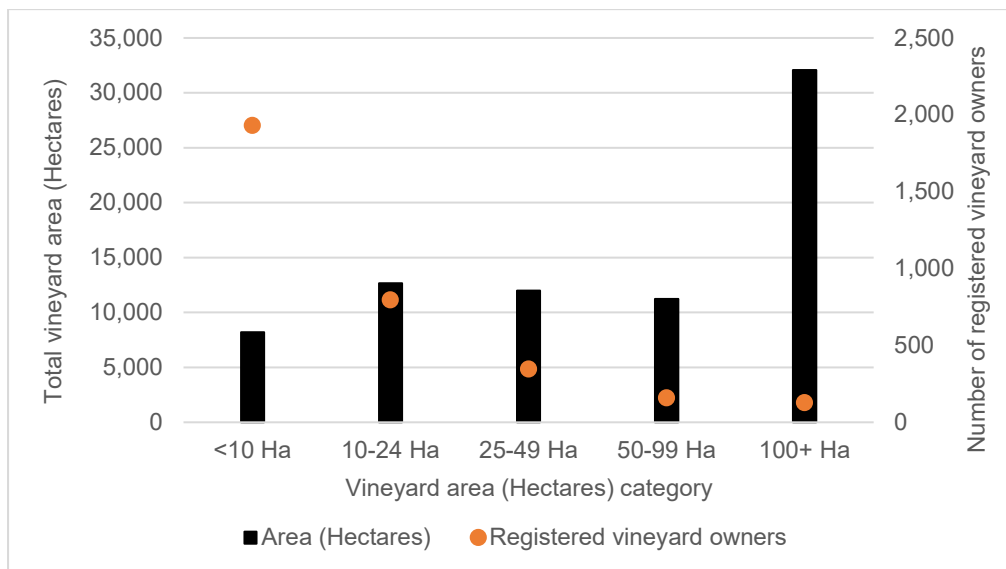


Figure 1. Number of registered vineyard owners and total area per vineyard size category in South Australia for 2020-21.

Figure 2 shows the split of the total 76,177 hectares of vineyards in South Australia by major grape variety, with the top three varieties, Shiraz, Cabernet Sauvignon and Chardonnay accounting for 72% of the total area planted to vineyards.

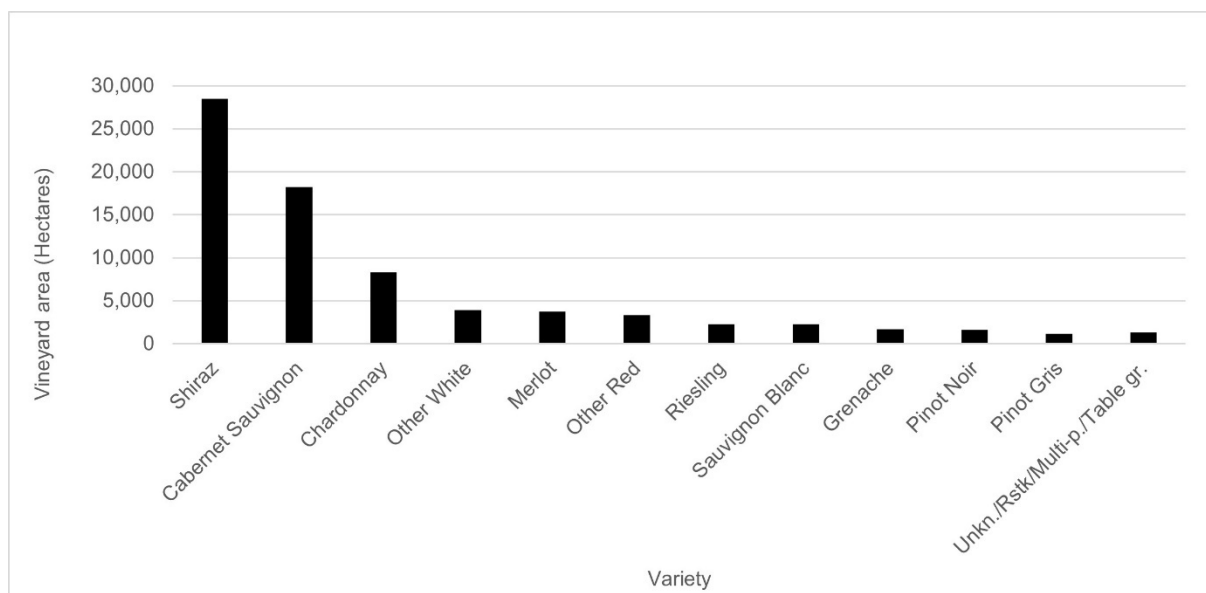


Figure 2. Split of area (hectares) under vine planted in South Australia to major grape varieties in 2020-21.

It is important to continue to highlight the vulnerability of South Australian vineyards

to phylloxera. Data for 2020-21 in the Register shows that 78% of area under vine in South Australia is planted to vines on own roots, which are susceptible to attack by phylloxera (Figure 3). The top four rootstocks planted by area in the state are Ramsey, Paulsen 1103, 101-14 and Ruggeri 140 (Figure 3).

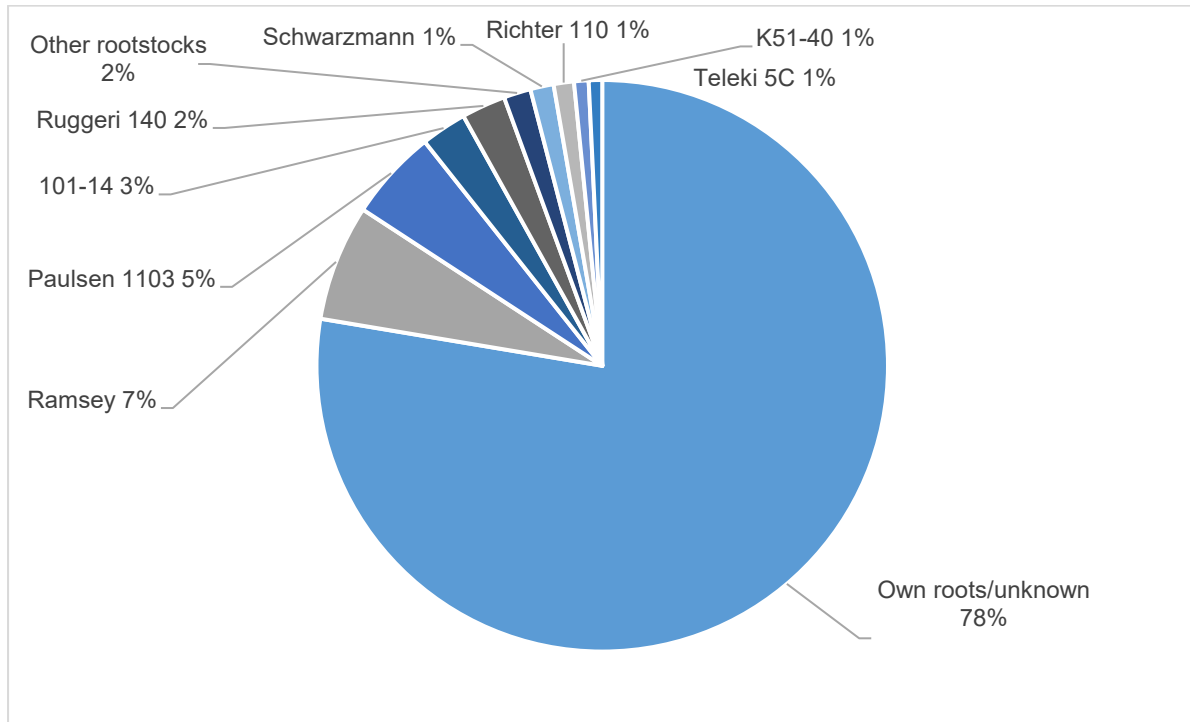


Figure 3. South Australian vineyard plantings by rootstock type in 2020-21.

South Australia holds some of the oldest vineyards in the world and analysis of area by vine age shows that 0.44% of vineyard holdings are 100 years or older (Figure 4).

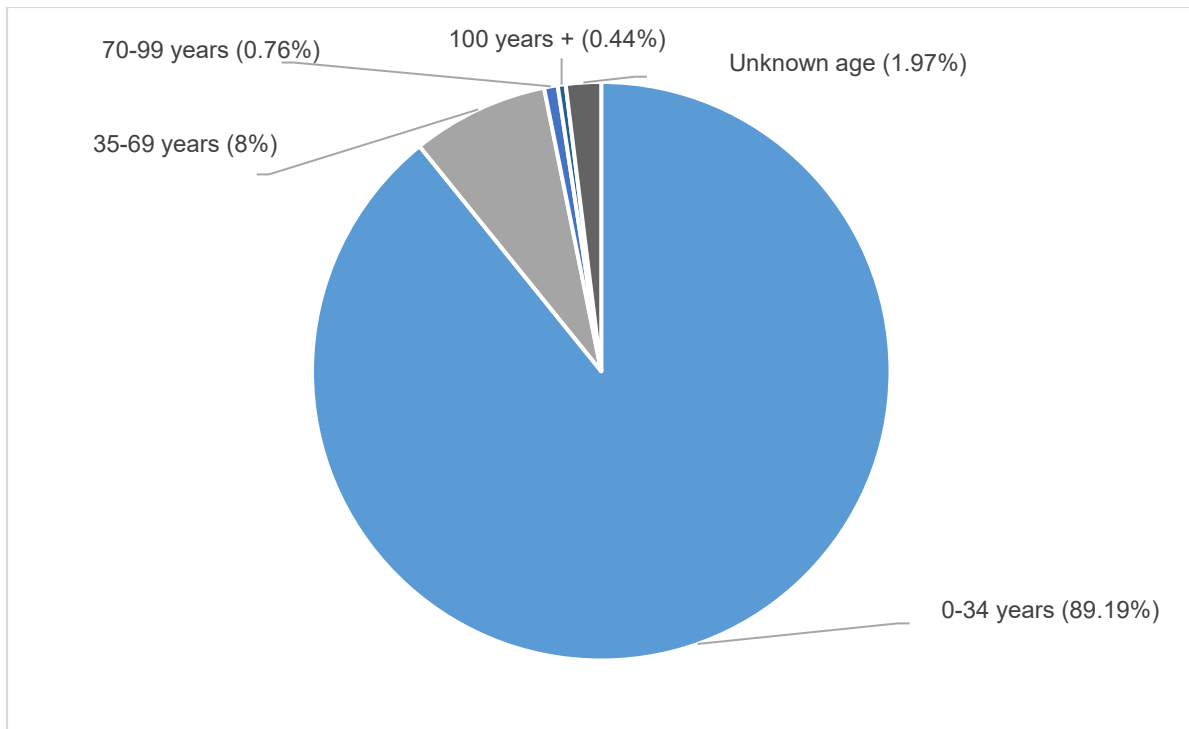


Figure 4. South Australian vineyard plantings by vine age in 2020-21.

Information from the Vineyard Register in 2020-21 was analysed internally and provided to Wine Australia as source information for the [South Australian Winegrape Crush Survey](#).

Section 26(2)

Audited statements of accounts are provided as part (Appendix A) of this Annual Report.

Vinehealth Australia's new [Strategic Agenda 2021 to 2026](#) is hosted on Vinehealth Australia's website and is attached in Appendix B.

Reporting required under the *Carers' Recognition Act 2005*

Not applicable to Vinehealth Australia.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2020-21
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0

Complaint categories	Sub-categories	Example	Number of Complaints 2020-21
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	0

Additional Metrics	Total
Number of positive feedback comments	22
Number of negative feedback comments	1
Total number of feedback comments	23
% complaints resolved within policy timeframes	Not applicable

Data for previous years is available at: [Vinehealth Australia's website](#)

Service Improvements

Vinehealth Australia again acknowledges that the user experience of the online kiosk for the Register was the reason for the negative feedback comment, and needs to be improved. This feedback has been received for a number of years.

Vinehealth Australia has developed a new Digital Biosecurity Platform which will offer customers a vastly improved customer experience as compared to the current online kiosk. The procurement process has been completed in 2019-20 with a preferred supplier identified. The discovery phase of this Platform was completed in 2020-21. Funding now needs to be secured to build this new Platform, with support from the State Government being sought.

In the interim, Vinehealth Australia provides vineyard owners with the option to provide changes to their vineyard records directly to the Office Manager to action.

Compliance Statement

Vinehealth Australia is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
Vinehealth Australia has communicated the content of PC 039 and the agency's related complaints policies and procedures to employees.	Y

Appendix A: Audited financial statements 2020-21

**PHYLLOXERA & GRAPE INDUSTRY BOARD OF
SOUTH AUSTRALIA**

TRADING AS

“VINEHEALTH AUSTRALIA”

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

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Independent Auditor's Report to the Board of Vinehealth Australia

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Vinehealth Australia, which comprises the statement of financial position as at 30 April 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of the financial statements.

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

- (a) giving a true and fair view of Vinehealth Australia's financial position as at 30 April 2021 and of its financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements.

Basis for Opinion

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

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

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

The Board is responsible for the other information. The other information comprises the information included in Vinehealth Australia's annual report for the year ended 30 April 2021, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Board for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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



PERKS AUDIT PTY LTD
180 Greenhill Road
Parkside
South Australia 5063



Peter J Hill
Director
Registered Company Auditor
Dated this 29th day of July 2021

VINEHEALTH AUSTRALIA

Certification of the Financial Statements

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

- have made reference to the Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Phylloxera and Grape Industry Act 1995*;
- are in accordance with the accounts and records of Vinehealth Australia; and
- present a true and fair view of the financial position of Vinehealth Australia as at 30 April 2021 and the results of its operation and cash flows for the financial year.

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



Inca Lee
Chief Executive Officer

29 July 2021



Prue McMichael
Presiding Officer

29 July 2021

VINEHEALTH AUSTRALIA

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 April 2021

	Note	2021 \$	2020 \$
Income			
Fees and charges	3.1	743,290	751,547
Grants	3.2	27,877	104,774
Interest	3.3	771	11,827
Other income	3.4	73,027	41,228
Total income		844,965	909,376
Expenses			
Employee benefits expenses	4.3	457,271	471,165
Supplies and services	5.1	301,951	328,682
Depreciation and amortisation expense	5.2	51,454	59,061
Borrowing costs	5.3	3,784	4,442
Other expenses	5.4	109,584	108,176
Total expenses		924,044	971,526
Net result		(79,079)	(62,150)
Other Comprehensive Income			
Total other comprehensive income		-	-
Total comprehensive result		(79,079)	(62,150)

The accompanying notes form part of these financial statements.

The net result and total comprehensive result are attributable to the SA Government as owner.

VINEHEALTH AUSTRALIA

STATEMENT OF FINANCIAL POSITION

As at 30 April 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	7.1	1,049,950	1,158,171
Receivables	7.2	849,772	840,170
Total current assets		1,899,722	1,998,341
Non-current assets			
Property, plant & equipment	6.1	219,756	264,852
Intangible assets	6.3	-	6,358
Total non-current assets		219,756	271,210
Total assets		2,119,478	2,269,551
Current liabilities			
Payables	8.1	55,517	92,745
Financial liabilities	8.2	41,368	40,700
Employee benefits	3.4	107,529	100,595
Total current liabilities		204,414	234,040
Non-current liabilities			
Financial liabilities	8.2	168,674	210,042
Employee benefits	3.4	-	-
Total non-current liabilities		168,674	210,042
Total liabilities		373,088	444,082
Net Assets		1,746,390	1,825,469
Equity			
Equity	9.1	1,746,390	1,825,469
Total Equity		1,746,390	1,825,469

The accompanying notes form part of these financial statements.

The total equity is attributable to the SA Government as owner.

VINEHEALTH AUSTRALIA

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2021

		Equity	Total Equity
	Note	\$	\$
Balance at 30 April 2019		1,887,619	1,887,619
Total comprehensive result for 2019-20		(62,150)	(62,150)
Balance at 30 April 2020		1,825,469	1,825,469
Balance at 30 April 2020		1,825,469	1,825,469
Total comprehensive result for 2020-21		(79,079)	(79,079)
Balance at 30 April 2021		1,746,390	1,746,390

The accompanying notes form part of these financial statements.

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

VINEHEALTH AUSTRALIA

STATEMENT OF CASH FLOWS

For the year ended 30 April 2021

	Note	2021	2020
		\$	\$
Cash flows from operating activities			
Cash inflows			
Grower levies and charges		733,688	741,738
Receipts from grants		27,877	115,251
Interest received		771	11,827
GST recovered from the ATO		36,574	37,213
Other receipts		73,027	41,228
Cash generated from operations		871,937	947,257
Cash outflows			
Employee benefits payments		(450,337)	(446,824)
Payments for supplies and services		(526,037)	(607,020)
Payments of grants and subsidies		-	-
Interest paid		(3,784)	(4,442)
Cash used in operations		(980,158)	(1,058,286)
Net cash provided (used in) operating activities		(108,221)	(111,029)
Cash flows from investing activities			
Cash outflows			
Purchase of plant and equipment and software		-	-
Cash used in investing activities		-	-
Net cash (used in) investing activities		-	-
Net (decrease) in cash and cash equivalents		(108,221)	(111,029)
Cash and cash equivalents at the beginning of the period		1,158,171	1,269,200
Cash and cash equivalents at the end of the period	7.1	1,049,950	1,158,171

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2021

1. ABOUT VINEHEALTH AUSTRALIA

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

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

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

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

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

1.1. BASIS OF PREPARATION

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

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

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

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

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

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

1.2. TAXATION

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

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

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

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

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

1.3. IMPACT OF COVID-19 PANDEMIC ON VINEHEALTH

The COVID-19 pandemic has impacted on the operations of Vinehealth and the impacts are included under the relevant disclosure notes. The key impacts in 2020-21 were:

- Reduced travel expenditure
- Deferral of some project expenses

The Industry has been impacted by COVID-19, however levy recovery was not significantly impacted in 2021.

1.4. BUDGET PERFORMANCE

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

2. OBJECTIVES AND ACTIVITIES

2.1. OBJECTIVES OF VINEHEALTH AUSTRALIA

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

2.2. ACTIVITIES OF VINEHEALTH AUSTRALIA

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

VINEHEALTH AUSTRALIA

3. INCOME

3.1. FEES AND CHARGES

	2021 \$	2020 \$
Grower levies	738,124	751,783
Penalties	5,166	(236)
Total fees and charges	743,290	751,547

3.2. GRANTS

	2021 \$	2020 \$
Other grants	27,877	104,774
Total grant income	27,877	104,774

3.3. INTEREST

	2021 \$	2020 \$
Interest received	771	11,827
Total interest revenues	771	11,827

Interest received has significantly decreased in 2020-21 due to the significantly reduced interest rates offered by the Department of Treasury and Finance.

3.4. OTHER INCOME

	2021 \$	2020 \$
Other fee for service	23,573	16,852
Sale of goods	20,485	17,303
Heat Shed income	8,436	7,073
Covid-19 rental waiver	16,684	-
Other	3,849	-
Total other income	73,027	41,228

The Covid-19 rental waiver represents the non-cash reduction in the lease liability as a result of rental payments waived by the lessor to lessen the economic effects of covid-19.

4. BOARD, COMMITTEES AND EMPLOYEES

4.1. KEY MANAGEMENT PERSONNEL

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

The total remuneration received by these employees for the year was \$340,055 (2020: \$328,344)

4.2. BOARD AND COMMITTEE MEMBERS

Board members during the 2021 financial year and up to the date of signing the financial statements were:

Board of Directors	
Dr Prue McMichael (appointed 18 July 2019, elected Presiding Member 22 July 2020)	Dr Sally Troy (appointed 18 July 2019)
Mr Richard Barrett (appointed 18 July 2019, elected Deputy Presiding Member 8 December 2020)	Mr Alec Gilbert (appointed 18 July 2019)
Mr Alex Sas (appointed 18 July 2019)	Dr Ross Meffin (ongoing Board appointment as Chief Plant Inspector)
Dr Jo Luck (appointed 18 July 2019)	

The number of Board members whose remuneration received or receivable falls within the following bands:

	2021	2020
\$0 - \$9 999	6	10
Total number of members	6	10

Remuneration of Board members reflects all costs of performing board duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$9,512 (2020: \$13,109).

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

There are no related party transactions for the year ended 30 April 2021 (2020: nil).

4.3. EMPLOYEE BENEFITS EXPENSES

	Note	2021 \$	2020 \$
Salaries and wages		400,317	391,579
Employee on-costs-superannuation*		38,504	37,879
Board fees		9,512	14,657
Long service leave		5,840	23,959
Workers compensation		1,631	1,701
Annual leave		1,093	383
Other employee related expenses		374	1,007
Total employee benefits expenses		457,271	471,165

*The amount charged to the Statement of Comprehensive Income represents the compulsory superannuation contribution made to staff superannuation plans by Vinehealth in respect of services by current Vinehealth staff.

4.4. EMPLOYEE BENEFITS LIABILITY

	2021 \$	2020 \$
Current		
Annual leave	61,341	60,248
Long service leave	46,188	40,347
Total current employee benefits	107,529	100,595
Non-current		
Long service leave	-	-
Total non-current employee benefits	-	-
Total employee benefits	107,529	100,595

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

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

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

5. EXPENSES

Employee benefit expenses are disclosed in Note 4.3.

5.1. SUPPLIES AND SERVICES

	2021 \$	2020 \$
Stakeholder communications and engagement	130,019	81,948
Project expenses	71,536	139,506
Information technology	53,732	36,406
Operating lease payments	24,422	21,263
Board expenses	9,493	12,864
Heat shed expenses	8,192	11,224
Consultants	4,557	25,471
Total supplies and services	301,951	328,682

Consultants

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

	NO.	2021 \$	NO.	2020 \$
Below \$10 000	2	4,557	2	4,427
Above \$10 000	-	-	2	26,581
Total paid /payable to the consultants engaged	2	4,557	4	31,008

5.2. DEPRECIATION AND AMORTISATION EXPENSE

	2021 \$	2020 \$
Plant and equipment	3,055	3,494
Right-of-use buildings	42,041	42,041
Intangible assets	6,358	13,526
Total depreciation and amortisation	51,454	59,061

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

Useful Life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Plant and equipment	3 – 8 years
Right-of-use buildings	Lease term
Intangibles	3 years

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

Revision of accounting estimates

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

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

5.3. BORROWING COSTS

	2021 \$	2020 \$
Interest expense on lease liabilities	3,784	4,442
Total borrowing costs	3,784	4,442

VINEHEALTH AUSTRALIA

5.4. OTHER EXPENSES

	2021	2020
	\$	\$
Accounting and audit	48,456	40,742
FBT and bank charges	19,054	19,097
Tourism RVC	10,113	9,674
Telephone & Internet	7,158	7,792
Office amenities	3,151	3,207
Travel	405	9,833
Other	21,247	17,831
Total other expenses	109,584	108,176

6. NON-FINANCIAL ASSETS**6.1. PROPERTY, PLANT AND EQUIPMENT BY ASSET CLASS**

	2021	2020
	\$	\$
<u>Plant and equipment</u>		
Plant and equipment at cost	74,414	74,414
Accumulated depreciation at the end of the period	(61,360)	(58,305)
Total plant and equipment	13,054	16,109
<u>Right-of-use property</u>		
Right-of-use property	290,784	290,784
Accumulated depreciation at the end of the period	(84,082)	(42,041)
Total right-of-use property	206,702	248,743
Total property, plant and equipment	219,756	264,852

6.2. PROPERTY, PLANT AND EQUIPMENT LEASED BY VINEHEALTH

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

Vinehealth leases office space on the first floor of Industry House located in the National Wine Centre precinct.

Acquisition and recognition

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

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

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

The lease liabilities related to the right-of-use assets are disclosed in note 8.2. Vinehealth's maturity analysis of its lease liabilities is disclosed in note 12.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4. Cash outflows related to leases are disclosed in note 9.3.

Impairment

There were no indications of impairment of tangible assets at 30 April 2021.

VINEHEALTH AUSTRALIA

Reconciliation of property, plant and equipment during 2020-21

	Plant and equipment \$	Right-of-use asset \$	Total \$
Carrying amount at the beginning of the period	16,109	248,743	264,852
Acquisitions	-	-	-
Disposal e.g. sales, write off	-	-	-
Depreciation	(3,055)	(42,041)	(45,096)
Carrying amount at the end of the period	13,054	206,702	219,756

Reconciliation of property, plant and equipment during 2019-20

	Plant and equipment \$	Right-of-use asset \$	Total \$
Carrying amount at the beginning of the period	19,603	-	19,603
Acquisitions	-	290,784	290,784
Disposal e.g. sales, write off	-	-	-
Depreciation	(3,494)	(42,041)	(45,535)
Carrying amount at the end of the period	16,109	248,743	264,852

6.3. INTANGIBLE ASSETS

	2021 \$	2020 \$
Computer Software		
Computer software at cost	50,628	50,628
Accumulated amortisation at the end of the period	(50,628)	(44,270)
Total intangible assets	-	6,358

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

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

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

Impairment

There were no indications of impairment of intangible assets at 30 April 2021.

Reconciliation of intangible assets during 2020-21

	Computer Software \$	Total \$
Carrying amount at the beginning of the period	6,358	6,358
Acquisitions	-	-
Amortisation	(6,358)	(6,358)
Carrying amount at the end of the period	-	-

Reconciliation of intangible assets during 2019-20

	Computer Software \$	Total \$
Carrying amount at the beginning of the period	19,884	19,884
Acquisitions	-	-
Amortisation	(13,526)	(13,526)
Carrying amount at the end of the period	6,358	6,358

7. FINANCIAL ASSETS**7.1. CASH AND CASH EQUIVALENTS**

	2021	2020
	\$	\$
Cash at bank	1,049,950	1,158,171
Total cash and cash equivalents	1,049,950	1,158,171

7.2. RECEIVABLES

	2021	2020
	\$	\$
Current		
Receivables		
- Trade debtors	5,697	6,195
- Current year levies	752,841	751,783
- Previous years' levies and penalties not received	68,738	66,009
Total receivables	827,276	823,987
Less allowance for doubtful debts	-	-
Prepayments	10,465	5,610
Accrued Income	-	-
GST input tax recoverable	12,031	10,573
Total current receivables	849,772	840,170

Receivables in relation to current year levies are invoiced yearly in arrears at the end of the financial year (30 April 2021), and therefore have not been received at 30 April 2021.

At the date of signing the financial statements \$95,598 of the levies and penalties have not been received.

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

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

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

VINEHEALTH AUSTRALIA

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

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Receivables, prepayments, and accrued revenues are non-interest bearing.

8. LIABILITIES

8.1. PAYABLES

	2021 \$	2020 \$
Current		
Trade payables	11,084	11,306
Employee on-costs*	33,065	29,117
Levies in advance	4,773	9,729
Accrued expenses	7,101	14,716
Suspense	(506)	-
Grants in advance	-	27,877
Total current payables	55,517	92,745

*Employee on-costs include Work Cover levies and superannuation contributions.

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

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

8.2. FINANCIAL LIABILITIES

	2021 \$	2020 \$
<u>Current</u>		
Lease liabilities	41,368	40,700
Total current lease liabilities	41,368	40,700
<u>Non-current</u>		
Lease liabilities	168,674	210,042
Total non-current lease liabilities	168,674	210,042
Total lease liabilities	210,042	250,742

All material cash outflows are reflected in the lease liabilities disclosed above.

9. OTHER DISCLOSURES

9.1. EQUITY

	2021 \$	2020 \$
Total equity	1,746,390	1,825,469

The Board notes that levies are invoiced in arrears each year on 30 April. The current year levies (\$752,841) constitute 43% of total equity and are yet to be received by Vinehealth Australia. Therefore, cash and cash equivalents of \$1,049,950 represent the largest portion of total equity for Vinehealth Australia.

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

- Support technical activities, communications and administration during the initial stages of an incursion, and to support industry recover from an incursion and transition to new quarantine or management requirements. This is consistent with statutory functions required as per section 14 of Vinehealth Australia's governing Act, the *Phylloxera and Grape Industry Act 1995*.
- Fund forward contractual commitments.
- To deliver strategic biosecurity projects and activities that provide significant value to vineyard owners and the grape and wine industry in South Australia.

9.2. CASH FLOW

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

LEASES

	2021 \$	2020 \$
Buildings	30,501	48,932
Total cash outflow for leases	30,581	48,932

10. OUTLOOK

10.1. UNRECOGNISED COMMITMENTS

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

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

10.2. OPERATING LEASE COMMITMENTS

	2021	2020
	\$	\$
Operating lease commitments		
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	18,155	12,617
Later than one year but not longer than five years	49,927	-
Later than five years	-	-
Total operating lease commitments	68,082	12,617
Representing:		
Cancellable operating leases	-	-
Non-cancellable operating leases	68,082	12,617
Total operating lease commitments	68,082	12,617

Future operating lease commitments for Vinehealth include two motor vehicle leases with a term of 4 years, both commencing February 2021.

10.3. CONTINGENT ASSETS AND LIABILITIES

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

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

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

10.4. COVID-19 PANDEMIC OUTLOOK FOR VINEHEALTH

Public authorities to include summary information on any expected on-going impact of COVID-19 on the department and its financial impacts:

- Expected / ongoing impacts of COVID-19 – wine industry is deemed an essential service so operations can continue in line with government guidelines.

Operational

- Delay in project implementation due to travel and other restrictions associated with COVID-19;
- Ongoing flexibility and agility of workforce to work from office and home as required;
- Requirement to change method of interaction (face to face gatherings, meetings, forums) with industry in line with government restrictions for COVID-19; and
- Creating an adaptable organisation to ensure continuity of services provided to industry and government.

Financial

- Potential increase in default rate on levy notices by vineyard owners; and
- Reduced grant income received for biosecurity projects.

10.5. EVENTS AFTER THE REPORTING PERIOD

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 April 2021 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 April 2021.

Note disclosure is made about events between 30 April 2021 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 April 2021 and which may have a material impact on the results of subsequent years.

Of note is the comprehensive review of contributions payable under section 23 the *Phylloxera and Grape Industry Act 1995*, undertaken by Vinehealth Australia over the last three years. It was initiated because Vinehealth Australia recognised the diminishing pool of funds available to fulfil its statutory functions. Rate adjustments have not been made since 1996 despite the operating environment being one of increasing and complex biosecurity threats. In July 2021, the Minister for Primary Industries and Regional Development indicated to Vinehealth Australia that it would not be prudent to discuss any changes to rates for contributions payable to Vinehealth Australia with industry, at this time. Therefore, changes to income for Vinehealth Australia from contributions payable will not eventuate in the coming financial year.

11. MEASUREMENT AND RISK

11.1. LONG SERVICE LEAVE LIABILITY – MEASUREMENT

Please refer to note 4.4.

11.2. FAIR VALUE

Please refer to note 6.

11.3. FINANCIAL INSTRUMENTS

Financial risk management

Risk management is managed by Vinehealth's Board.

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

Impairment of financial assets

Please refer to note 6.

Categorisation of financial instruments

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

VINEHEALTH AUSTRALIA

Classification of financial instruments

Category of financial asset and financial liability	Note	2021	2021 Contractual maturities		
		Carrying amount / Fair value	Within 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)
		(\$'000)			
Financial assets					
Cash and equivalent					
Cash and cash equivalent	7.1	1,049,950	n/a	n/a	n/a
Financial assets at amortised cost					
Receivables	7.2	849,772	n/a	n/a	n/a
Total financial assets		1,899,722	n/a	n/a	n/a
Financial liabilities					
Financial liabilities at amortised cost					
Payables	8.1	55,517	-	-	-
Lease liabilities	8.2	210,042	41,368	168,674	-
Total financial liabilities		265,559	41,368	168,674	-

Category of financial asset and financial liability	Note	2020	2020 Contractual maturities		
		Carrying amount / Fair value	Within 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)
		(\$'000)			
Financial assets					
Cash and equivalent					
Cash and cash equivalent	7.1	1,158,171	n/a	n/a	n/a
Financial assets at amortised cost					
Receivables	7.2	840,170	n/a	n/a	n/a
Other financial assets					
Total financial assets		1,998,341	n/a	n/a	n/a
Financial liabilities					
Financial liabilities at amortised cost					
Payables	8.1	92,745	-	-	-
Lease liabilities	8.2	250,742	40,700	210,042	-
Total financial liabilities		343,487	40,700	210,042	

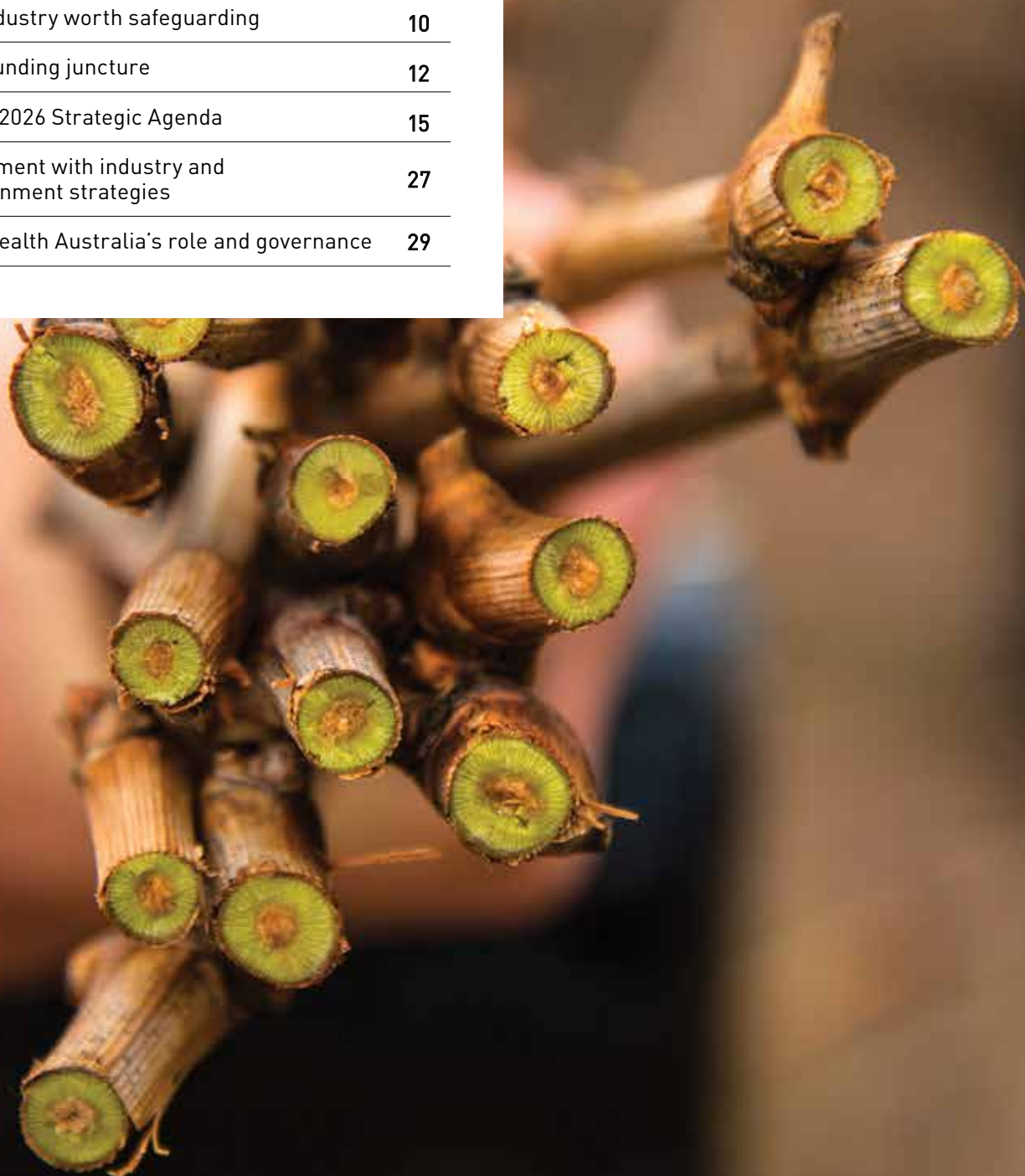
Appendix B: Vinehealth Australia's Strategic Agenda 2021-2026

VINEHEALTH AUSTRALIA

STRATEGIC AGENDA 2021 TO 2026

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CHAIR'S STATEMENT

The grape and wine industry is critical to South Australia's future prosperity.

Generating \$1.92 billion in wine exports and directly employing 8,440 people in grapegrowing and winemaking roles, the South Australian wine industry is a powerhouse.

But South Australia's biosecurity status is under significant pressure. Over the past three years, Vinehealth Australia has set a clear vision for biosecurity management across the grape and wine industry in Australia.

Vinehealth Australia's strategic plan Towards 2020, launched in July 2017, was a whole of industry plan created to raise the profile of our biosecurity status as a key enabler to the future success of the grape and wine industry in Australia.

This goal was achieved, and the biosecurity language used in Towards 2020 is now commonly used in the general vernacular among regional, state and national wine industry organisations and by industry personnel.

Towards 2020 also cemented Vinehealth Australia as a biosecurity expert for the grape and wine industry. It reinforced the key role that Vinehealth Australia commands as the anchor to the wine industry's biosecurity preparedness.

Our new Strategic Agenda 2021-2026 continues that biosecurity momentum, with five priority areas essential to making the industry more resilient and future focused.

We will create solutions across the supply chain, we will minimise pest impacts, we will shape the regulatory environment, we will continue to work closely with all stakeholders and we will cement our capacity and capability to lead.

We look forward to working with industry on delivery of this plan, and continuing to evolve and set the biosecurity agenda for the industry.



Prue McMichael
Chair



VINEHEALTH AUSTRALIA

Vinehealth Australia is an independent statutory authority in South Australia. We obtain our powers and functions from our governing legislation, the *Phylloxera and Grape Industry Act 1995*. The overriding aim of the Act is to provide for the protection of vineyards from pests, and to assist and support the grape and wine industry in South Australia.

The impact of Vinehealth Australia on the grape and wine biosecurity landscape is powerful.

With a single-minded focus on biosecurity and deep understanding of the supply chain and industry dynamics, Vinehealth Australia partners with growers, winemakers, suppliers and industry stakeholders to empower them with tools, information and expertise to safeguard their vineyards and wines from pests. In the event of an incursion, Vinehealth Australia uses its biosecurity expertise and assets to provide counsel to government and support industry to manage and recover.

Vinehealth Australia is viewed as an honest broker between government and industry on biosecurity matters and holds the enviable position of being everyone's informed advocate.

The enduring and strong working relationship Vinehealth Australia has with the South Australia government, and particularly the Department of Primary Industries and Regions (PIRSA), enables strategic and operational biosecurity work for industry. PIRSA continues to rely on Vinehealth Australia for counsel, operational activities and consultation with industry on various matters.

Grapevine phylloxera is a global destructive vine killer pest.

Prevention of the entry of phylloxera into South Australia is, and will always be, at our core. The absence of phylloxera in South Australia drives the organisation.

The modern Vinehealth Australia plays a broad and critical role for all pests that are a threat to the health of our vines. Our scope of pests includes any bacterium, fungus, insect, mite or other arthropod, protozoan, virus, other organism or pathogen, or any other condition that may affect vines.

PURPOSE

To foster a profitable, sustainable and reputable grape and wine industry, by working alongside growers, winemakers, propagation specialists and government to protect vines from biosecurity risk and to advance vine health.

VISION

Biosecurity action is integrated in every grape and wine business.

GUIDING PRINCIPLES


Knowledge: Pursuing new knowledge to empower evidence-based decision making by industry and government.

Action: Completing targeted, high impact biosecurity activities that deliver measurable change in biosecurity practices by industry, government and other priority stakeholders.

Collaboration: Partnering with grape and wine businesses, government, researchers and industry bodies to drive accountability for biosecurity and to leverage resources.

Focus: Investing in biosecurity initiatives that support the state's growth agenda and the industry's enviable reputation for quality and heritage.

Independence: Honouring our status as an independent statutory authority, as defined by our governing Act, and working to create enduring value for industry through ongoing strategic review and performance monitoring.

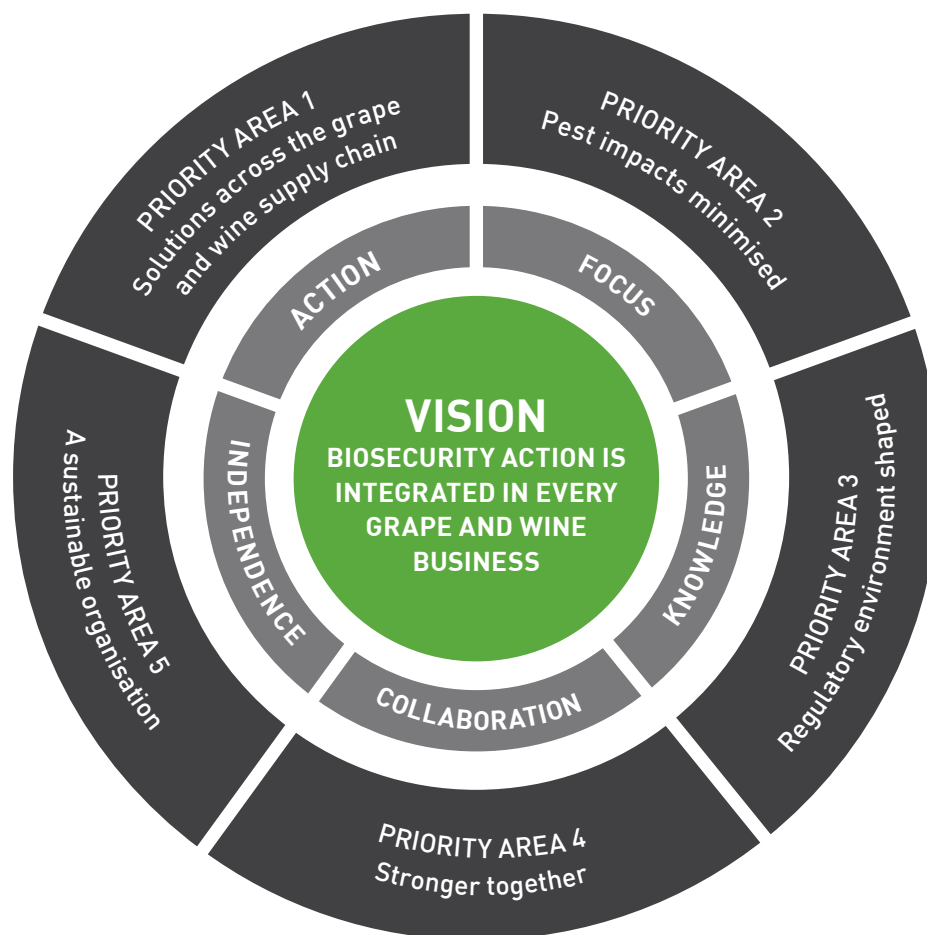
A close-up photograph of a tree trunk with a highly textured, weathered bark. The bark is dark brown with prominent vertical ridges and grooves. A white rectangular box with a thin black border is overlaid on the left side of the image, containing a testimonial. The background is a soft, out-of-focus warm light.

“Following the discovery of unusual leaf symptoms in a young vineyard, we called Vinehealth. The quick response and fantastic service was invaluable and helped us solve the problem.”

Sue Trott, Vineyard Owner

STRATEGIC AGENDA 2021 TO 2026 AT A GLANCE

Vinehealth Australia is an independent statutory authority in South Australia. Our purpose is to foster a profitable, sustainable and reputable grape and wine industry, by working alongside growers, winemakers, propagation specialists and government to protect vines from biosecurity risk and to advance vine health.



Target: Priority Area 1

A stronger, active defence against vineyard pest threats, with biosecurity practices integrated into everyday operations and access to high-health planting material.

Target: Priority Area 2

The impact of an incursion on assets, people and profitability is minimised, providing business continuity for growers, winemakers and other entities along the supply chain.

Target: Priority Area 3

A responsive and robust biosecurity regulatory system, respected and complied with by industry.

Target: Priority Area 4

An active and connected network across the South Australian grape and wine supply chain, with impact and results extending across the country.

Target: Priority Area 5

A sustainable organisation with expertise, systems and resources, that delivers exceptional outcomes.



OUR INVESTORS AND STAKEHOLDERS

Our Act enables contributions to be levied from investors, being (1) registered owners of vineyards that are equal to or greater than 0.5 hectares, (2) winemakers, and (3) distillers, in accordance with rules approved by the Minister for Primary Industries and Regional Development.

We have a broad group of stakeholders whom we influence and collaborate with to champion biosecurity to ensure collective long-term industry success.

	INDUSTRY		GOVERNMENT
National	<ul style="list-style-type: none"> • Australian Grape and Wine • Vine Industry Nursery Association and Australian Vine Improvement Association • Australian Table Grape Association • Dried Fruits Australia • Greenlife Industry Australia 	<ul style="list-style-type: none"> • Vineyard owners (wine, table, dried) • Winemakers • Nurseries 	<ul style="list-style-type: none"> • The Australian Department of Agriculture, Water and the Environment (including AQIS) • Plant Health Australia • Wine Australia • Horticulture Innovation Australia
State	<ul style="list-style-type: none"> • South Australian Wine Industry Association • Wine Grape Council of South Australia • South Australian Vine Improvement Association • Interstate wine associations 	<ul style="list-style-type: none"> • Suppliers 	<ul style="list-style-type: none"> • Minister for Primary Industries and Regional Development South Australia • The Department of Primary Industries and Regions (including Biosecurity SA) • State government jurisdictions
Regional	<ul style="list-style-type: none"> • South Australian regional wine associations • Vine improvement groups • Interstate regional wine associations 		<ul style="list-style-type: none"> • Regional Development Boards • Regional tourism associations • Local councils
	<p>Community</p> <p>Research and extension providers (including The Australian Wine Research Institute, Agriculture Victoria Research, SARDI, CSIRO)</p>		



OPERATING ENVIRONMENT

Vineyards and wine businesses face many threats to their sustainability. Our vines are under pressure from multiple sources including:

- Drought, bushfires and other natural disasters that damage vineyards and businesses
- Global pandemics, that lead to financial hardship
- Pest movements, including phylloxera in Victoria and *Xylella fastidiosa* species all over the world
- International trade disputes that put our wine exports at risk
- Changes to regulations that govern import and movement rules
- Changing consumer preferences and trends

Added to this, increased consolidation in the wine industry is contributing to the risk of a biosecurity incursion, with large processing facilities importing higher volumes of grapes across regional and state boundaries.

Increased international ownership of Australian wineries and vineyards adds complexity to the system, with 'absent owners' removing a layer of accountability for best practice farm-gate hygiene.

The wine industry is also seeing increased specialisation, with more contract vineyard management, pruning and harvesting, increasing the risk of cross-state, cross-regional and cross-vineyard contamination.

And increased international trade provides opportunities for the movement of pests between countries, states, regions and vineyards.

Coupled with this, margins for grapegrowers continue to be tight, resulting in sub-standard investment in farm-gate hygiene activities.

The risk of a biosecurity incursion has never been greater.

Vinehealth Australia's role is to implement policies, practices, tools and systems to assist the wine industry to better manage these risks.

The opportunity to create meaningful behaviour change has been heightened in 2020 during the COVID-19 pandemic. The community now has a far greater understanding of biosecurity terminology and the impacts of outbreaks.

BIOSECURITY LEGISLATION IN SA

The State Government is developing a new Biosecurity Act for South Australia, through PIRSA. The new Biosecurity Act will merge several existing pieces of biosecurity legislation into one, with the aim of creating a simpler and more effective legal framework for the management of pests, diseases and weeds, and biosecurity emergencies.

It's critical that the wine industry participates in the creation of the new Biosecurity Act, to ensure our systems remain strong and that the new Biosecurity Act aligns with our governing Act, the *Phylloxera and Grape Industry Act 1995*.

AN INDUSTRY WORTH SAFEGUARDING

Vineyards in South Australia have several end uses; for wine, as table grapes or dried fruit. Vineyards also supply propagation material for new plantings.

THE SOUTH AUSTRALIAN VITICULTURE INDUSTRY



**76,008 HECTARES
OF GRAPEVINES**



3,271

registered
vineyard owners

99%

of vineyards planted to
winegrape varieties



A propagation sector with a state vine improvement association, 6 regional vine improvement associations and a network of commercial nurseries

OUR HERITAGE

South Australia requires healthy, productive vineyards to supply our wine markets and to keep pace with growth ambitions.

The oldest vineyards of 150 years plus can be found in the Barossa Valley, Eden Valley, McLaren Vale, Clare Valley, Coonawarra, Langhorne Creek and the Riverland.

This rich tapestry of old and young vine material, due to the absence of phylloxera and other pests, makes us unique compared to the rest of the world and helps create some of Australia's most iconic wines.

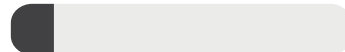
But 70% of grapevines in South Australia are planted on their own roots, making them susceptible to phylloxera. And with phylloxera on our doorstep in Victoria, we must be vigilant.

Of the vines planted in South Australia:

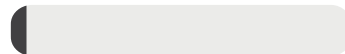
90.96% of vines are aged 0-34 years



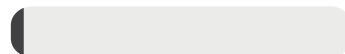
7.80% of vines are aged 35-69 years



0.79% of vines are aged 70-99 years



0.45% of vines are aged 100 plus years



70%

of vines in SA are
susceptible to phylloxera

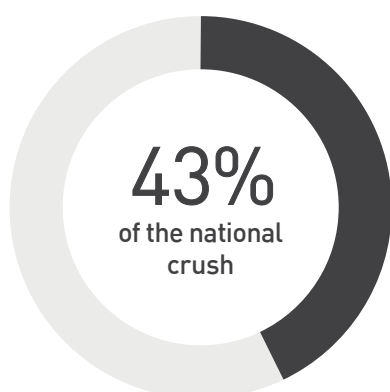
THE SOUTH AUSTRALIAN WINE INDUSTRY IS A POWERHOUSE



651,195 TONNES

of winegrapes crushed
in 2020 vintage

550 million litres of
wine produced in
2019 (equivalent to
734 million bottles)



\$1.92 billion in wine exports (2019)

**\$3.6 BILLION IN REGIONAL
VISITOR EXPENDITURE (2019)**

8,440 PEOPLE

directly employed in
grapegrowing and
winemaking, and
many more indirectly
employed



\$2.28 billion in
wine production
(2019)



**More than
340 cellar
doors**



**More than
680 wineries**



34%

of international visitors travel to a
wine region while in South Australia

OUR FUNDING JUNCTURE

Vinehealth Australia has a clear remit outlined in its governing Act. However, with a diminishing pool of funds we are unable to perform our functions to the level required and expected by industry to confront intensifying and evolving biosecurity challenges.

WHAT DOES THIS MEAN FOR GROWERS AND WINEMAKERS?

An increased likelihood that a devastating grapevine pest is introduced, spread and established in South Australia, with significant financial, social and environmental consequences to grape and wine businesses, suppliers, regional communities and supporting businesses.



**CONSTRAINED
FUNDING MEANS A
GREATER RISK OF PEST
INTRODUCTION INTO SA**

It will disrupt continuity of grape and wine supply, constraining the South Australian wine industry's growth ambitions and compromising wine tourism.

\$23 BILLION BY 2030

**SA'S FOOD, WINE AND
AGRIBUSINESS PLAN
FOR GROWTH**

WHAT IS THE COST OF A PEST INCURSION?

There are many pests that could cause a serious negative impact to the wine industry. The spread of Pierce's Disease (caused by *Xylella fastidiosa*) and phylloxera globally demonstrates the extent and severity of impacts.

The cost of a Pierce's Disease incursion on the Australian wine industry is predicted to be up to \$7.9 billion over a 50-year period.¹ In California, this disease causes more than \$100 million in yearly losses to the grape industry.

\$7.9 BILLION

**THE PREDICTED COST OF A PIERCE'S
DISEASE INCURSION OVER 50 YEARS**

Similarly, with phylloxera continuing to spread in Victoria in recent years, the cost to regions and grape and wine businesses is evident. Replanting infested vineyards with grafted vines tolerant to phylloxera costs approximately \$60,000 per hectare. Add to this loss of production while new plantings mature, loss of brand continuity and value, and the cost of ongoing quarantine controls.



\$60,000 PER HECTARE

**The cost of replanting infested
vineyards on phylloxera tolerant
rootstock**

With fewer than 30% of South Australia's vineyards on rootstock tolerant to phylloxera, the reliance on old vines for some brands and with limited supply of high-health grafted propagation material to replant infested vineyards, the cost of a phylloxera incursion in South Australia has the potential to be immense, and for some grape and wine businesses, catastrophic. And the threat is real with the closest phylloxera infested zone only 300 kms from the state border.

¹ <https://www.agriculture.gov.au/abares/research-topics/biosecurity/biosecurity-economics/xyella-impact-report>

FUNDING SITUATION

Our current investors, being owners of 0.5 hectares or more of planted vines, contribute \$9.50 per hectare (minimum \$50) each year to fund the activities of Vinehealth Australia. This equates to approximately \$740,000 per year.

\$740,000

Vinehealth Australia's total funding from the levy

\$9.50/ha
(minimum \$50) = the current levy

The area of vineyards has remained relatively stable over the last 10 years and is expected to change little over the next five year period. Combined with the approved levy rate of \$9.50 per hectare remaining unchanged since 1996, the total funds available for Vinehealth Australia to perform its functions has remained static.



1996

THE LAST TIME THE LEVY WAS ADJUSTED

Given this, inflation alone has eroded the purchasing power of Vinehealth Australia's funds by around 20% since 1996.

~20% reduction

in purchasing power of funds since 1996

Put simply, we are needing to do more with less to protect the state's vineyards and a new approach to funding Vinehealth Australia is needed.

A REVISED FUNDING APPROACH

A strategic review of funding of Vinehealth Australia was completed in the last strategic plan period (2017-2020) by an independent consultant. This review identified and mapped biosecurity risk creators and beneficiaries and proposed a new equitable approach to increase funding available for Vinehealth Australia.

For the next three years and through conversations with industry and government, a key priority for Vinehealth Australia will be to realise this new funding approach.

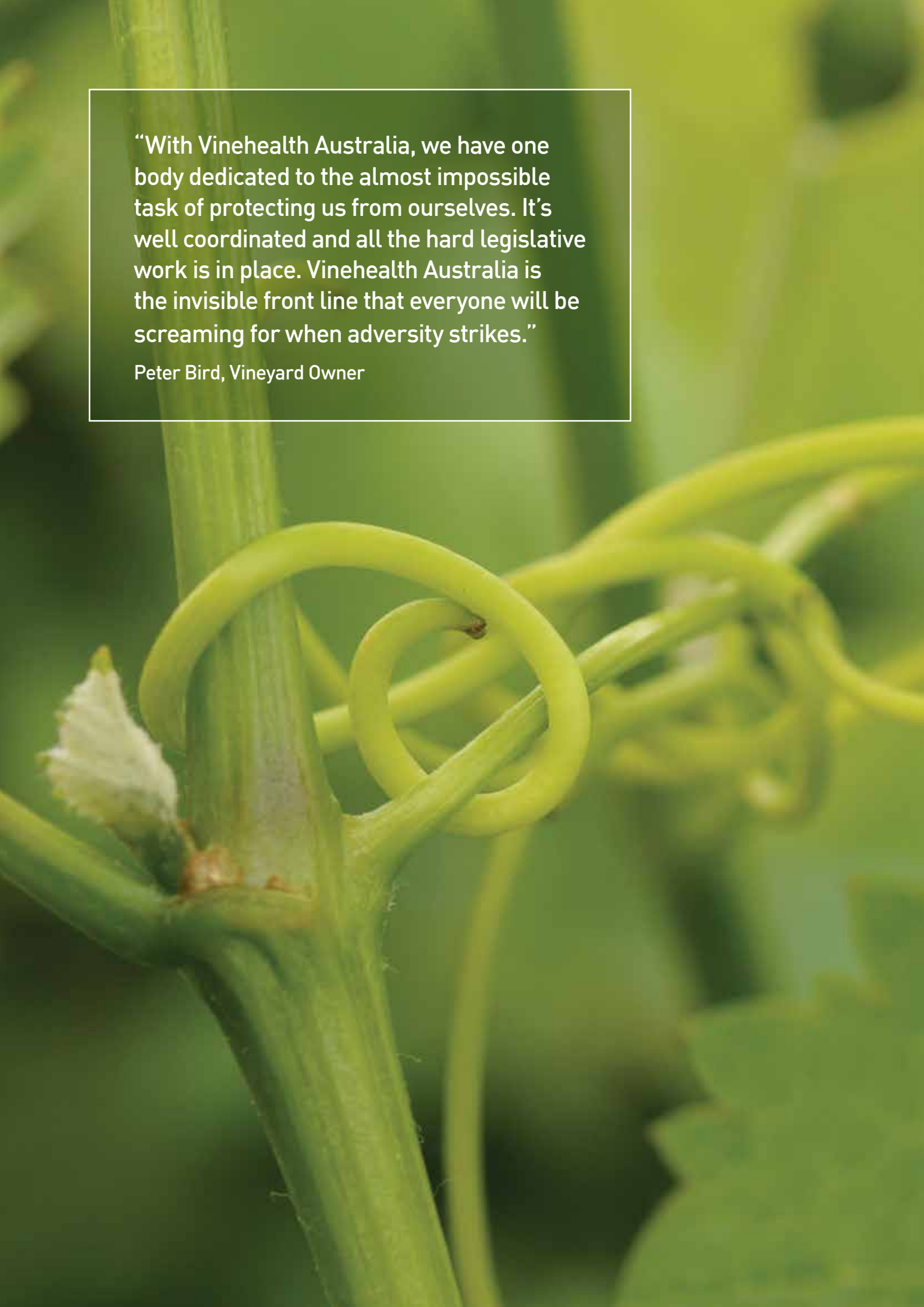
Concurrently, Vinehealth Australia will also seek to attract investment for its new Digital Biosecurity Platform by leveraging synergies with South Australia's AgTech Strategic Plan, released in October 2020.

3 YEARS

The timeline to deliver a new funding model


This Digital Biosecurity Platform provides an opportunity to vastly improve the value of information captured in the Register to enhance biosecurity management for the grape and wine industry in South Australia, while enabling vineyard owners to explore the benefits that digital technology can offer.

$$\begin{array}{ccccc} \$740,000 & : & \$2.28 \text{ billion} & = & 0.032\% \\ \text{current Vinehealth Australia funding} & & \text{SA wine industry value} & & \text{investment} \end{array}$$



“With Vinehealth Australia, we have one body dedicated to the almost impossible task of protecting us from ourselves. It’s well coordinated and all the hard legislative work is in place. Vinehealth Australia is the invisible front line that everyone will be screaming for when adversity strikes.”

Peter Bird, Vineyard Owner



STRATEGIC AGENDA: 2021-2026

Our Strategic Agenda 2021-2026 will guide our operations for the next five years, with specific focus on five priority areas:

1. Solutions across the grape and wine supply chain
2. Pest impacts minimised
3. Regulatory environment shaped
4. Stronger together
5. A sustainable organisation

For each priority area, we articulate what it means, why it is essential, our targets and how we plan to achieve success.

Each year an Annual Operational Plan is developed, with activities for each priority area guided by available funds. Vinehealth Australia's Annual Report will outline our performance against the Annual Operational Plan and delivery against our Strategic Agenda.

PRIORITY AREA 1

SOLUTIONS ACROSS THE GRAPE AND WINE SUPPLY CHAIN

The grape and wine industry continues to face new and rapidly changing biosecurity threats. We must elevate industry's maturity and capability to respond to these threats. Growers, winemakers and other entities along the supply chain need ready access to user friendly, cost effective and practical biosecurity solutions that can be easily integrated into their operations. These solutions are driven by industry needs and are fit for purpose.

Importantly, this also includes access to high-health status planting material and timely access to preferred rootstocks to improve tolerance to pests and adaptation to abiotic stresses.

This priority area addresses the pressing need to develop solutions for industry to enable widespread adoption of farm gate-hygiene practices aimed at preventing the introduction and spread of pests to our vineyards. Vinehealth Australia will listen to industry's issues and provide solutions, where possible. This priority area also embraces the propagation sector as the foundation of the long-term health of our vineyards.

Critical to the success of this priority area will be the ability of Vinehealth Australia's collective network of stakeholders and influencers to foster sustained behaviour change across the supply chain.

Target:

A stronger, active defence against vineyard pest threats, with biosecurity practices integrated into everyday operations and access to high-health planting material.



KEY THEMES

- Invest in practical solutions for industry to improve adoption of biosecurity practices.
- Partner with technical experts and industry to drive improved value from all preparedness and prevention activities.
- Advance the supply of high-health planting material to enable productive and healthy vineyards for the long term.
- Improve industry's understanding of the attributes offered by rootstocks for new plantings.

HOW WE GET THERE

1. Target projects that promote enhanced biosecurity practices by key risk creators.
2. Quantify the adoption of farm-gate hygiene practices by vineyard owners biennially to direct future investment.
3. Optimise biosecurity value delivered by the Naracoorte Heat Shed.
4. Drive improved virus management by the propagation sector.
5. Review accreditation schemes for grapevine propagation in consultation with the sector to improve the availability of high-health planting material.
6. Quantify rootstock supply demand balance and identify key levers to adjust supply, cost and quality.

PRIORITY AREA 2

PEST IMPACTS MINIMISED

The impacts of a pest incursion on people, businesses and communities are devastating. We must constantly scan the horizon to identify and assess pest threats, get industry and businesses ready, deploy prevention strategies, and ensure that we have capabilities and resources primed to respond with speed, power and efficacy.

This priority area sharpens Vinehealth Australia's activities on supporting industry preparedness for an exotic or regulated endemic pest outbreak.

For an exotic incursion that is managed under the Emergency Plant Pest Response Deed (EPPRD), we are the South Australian wine industry's voice.

If incursions occur, growers and winemakers must be armed with the tools and knowledge to minimise the impacts on their businesses. Vinehealth Australia, together with PIRSA, must also be ready to act swiftly and confidently to eradicate, or contain the spread of the pest.

Target:

The impact of an incursion on assets, people and profitability is minimised, providing business continuity for growers, winemakers and other entities along the supply chain.

KEY THEMES

- Scan the operating landscape globally and locally for new and emerging threats to South Australian vineyards.
- Build industry preparedness for pest incursions.
- Rapid and effective response to suspected or confirmed pest incursions in partnership with PIRSA.
- Support research, development and adoption of early field detection and surveillance methods for phylloxera and rapid, accurate diagnostic capability.

HOW WE GET THERE

1. Profile biosecurity risks to South Australian vineyards to drive preparedness and prevention activities.
2. Transform South Australia's Phylloxera Outbreak Plan, in partnership with PIRSA, into an effective response plan.
3. Challenge the South Australian industry's readiness for a pest incursion through simulations and evaluating the integration of preparedness measures by grape and wine businesses and government.
4. Evaluate the impact of selected exotic pest incursions in South Australia to drive biosecurity action by federal and state government and industry.
5. Invest in Vinehealth Australia's ability to respond to an incursion.

PRIORITY AREA 3

REGULATORY ENVIRONMENT SHAPED

A strong regulatory system provides a vital layer of defence against the entry and spread of pests into Australia and across state borders. Government is responsible for adequately resourcing and managing this regulatory environment; the federal government at the national border and state governments for their respective jurisdictions. The governing Act of Vinehealth Australia builds on this core investment by government, providing the unique ability to work with the South Australian Minister for Primary Industries and Regional Development and PIRSA to ensure that our state regulatory environment is effective and protects industry from serious pest threats.

Dependent on risk, a balance of regulatory controls, industry accreditation and best practice code of conducts are needed. Industry's role in complying with these are critical for the system to work.

This priority area sees Vinehealth Australia actively shaping the biosecurity regulatory environment in partnership with federal and state government. We will achieve this by developing policy positions, pest-specific management strategies (including surveillance), operational activities that enable industry compliance with regulatory requirements, and ongoing Ministerial counsel. Vinehealth Australia will support strong mechanisms to encourage compliance with South Australian biosecurity legislation and regulations, and action against those who are non-compliant.

Target:

A responsive and robust biosecurity regulatory system, respected and complied with by industry.



KEY THEMES

- Pursue policy positions on key biosecurity matters.
- Improve the effectiveness of regulations targeting known threats such as phylloxera.
- Elevate industry compliance with South Australian biosecurity legislation.
- Modernise biosecurity accreditation schemes in partnership with PIRSA that support the grape and wine industry.
- Provide independent counsel to PIRSA and the Minister for Primary Industries and Regional Development.

HOW WE GET THERE

1. Address high priority regulatory risks through policy action and advocacy.
2. Assist the South Australian government to ensure regulatory management of phylloxera is based on up-to-date risk profiling, scientific knowledge and industry insights.
3. Influence the development of a national strategy for the management of phylloxera.
4. Educate entities across the supply chain on their biosecurity regulatory obligations.
5. Review key operational procedures for biosecurity accreditation schemes and provide recommendations for improvement to PIRSA.

PRIORITY AREA 4

STRONGER TOGETHER

Successful biosecurity programs rely on excellent communication and collaboration across the supply chain. A close connection with grape and wine businesses, suppliers to industry, industry organisations, federal and state government and media is critical, to gauge industry needs, share insights, deliver project outcomes and perform our primary functions. We are a collective that is much stronger when we work together.

Leveraging the power of the Register, we will deliver smart, free flowing information, to stimulate action in the grape and wine industry in relation to farm-gate hygiene and biosecurity preparedness activities.

This priority area sees Vinehealth Australia using a range of communication and engagement vehicles, including regional and business visits, strategic partnerships, digital strategies, tools, data and media work, to enable meaningful behaviour change across the network. We are driven by the aspiration for positive biosecurity practices to be demanded and driven by industry members.

Vinehealth Australia will continue to be responsive to requests received from the South Australian government and industry, seeking to leverage our expertise and assets to inform activities for the greater benefit of the industry.

Target:

An active and connected network across the South Australian grape and wine supply chain, with impact and results extending across the country.

KEY THEMES

- Influence strategic investment in biosecurity by supply chain participants.
- Strengthen networks across the grape and wine supply chain.
- Fortify relationships with South Australian state and regional wine associations and federal and state governments.
- Lead the style and tone of biosecurity communications for the wine industry.
- Support federal and state governments and industry to achieve their ambitions for the sector.

HOW WE GET THERE

1. Critique the maturity of the wine industry to manage current and emerging biosecurity risks.
2. Deliver influential multi-channel communications campaigns focused on biosecurity behaviour change for key risk creators across the supply chain.
3. Elevate partnerships with state and regional wine associations to create regional biosecurity champions.
4. Drive digital communication in the wine industry, achieving industry-leading results with newsletter open rates and website users.
5. Elevate partnerships with media to underpin our status as the wine biosecurity expert.
6. Deliver on-demand services to the South Australian government and industry using Vinehealth Australia's expertise and assets.

PRIORITY AREA 5

A SUSTAINABLE ORGANISATION

Vinehealth Australia's strength is forged in its governing Act and implemented through its deep connections with industry and government. To lead the biosecurity agenda and deliver enduring value for the grape and wine industry, Vinehealth Australia must continue to develop its people and evolve its systems and processes to deliver its statutory functions with improved efficiency and customer experience.

For over 120 years, details of ownership, location and plantings for all vineyards of 0.5 hectares or more in South Australia have been recorded in the Vinehealth Australia Register. This unique Register is an extraordinary asset and enables Vinehealth Australia to execute activities across the biosecurity continuum. It has also been crucial in supporting the South Australian government to manage potential smoke taint from prescribed burns, bushfire recovery, police investigations, water allocation planning and fruit fly outbreaks. However,

for the Register to meet the changing nature and intensity of biosecurity challenges faced by industry, the functionality and flexibility offered by next generation technology must be urgently adopted.

With the South Australian government developing a new Biosecurity Act during this strategic plan period, the industry, as it did back in the late 1800s when our founding Act was established, again has the opportunity to be visionary. This involves articulating a clear picture of the biosecurity arrangements required to ensure a prosperous grape and wine industry now and well into the future. Vinehealth Australia will provide an essential supporting role to industry and the South Australian government through this process.

Target:

A sustainable organisation with expertise, systems and resources, that delivers exceptional outcomes.

KEY THEMES

- Modernise the Register to provide the functionality and flexibility needed to respond to a changing biosecurity landscape and customer demands.
- Transform the funding model for Vinehealth Australia to advance vine health and improve protection of grape and wine assets from biosecurity risk and impact.
- Enhance South Australia's biosecurity legislation to protect the grape and wine industry.
- Strong financial management, governance and systems, with transparency to the South Australian government and investors.
- Strengthen organisational culture to deliver outstanding value to industry.

HOW WE GET THERE

1. Build a new Digital Biosecurity Platform that is powered by geospatial data to drive a relationship-rich digital biosecurity ecosystem.
2. Increase the approved rate of contributions and change the investor mix to better reflect biosecurity risk creators and beneficiaries.
3. Efficiently manage contributions payable under the Act and in accordance with rules approved by the Minister.
4. Influence the development of a new Biosecurity Act for South Australia and the strengthening of Vinehealth Australia's governing Act to ensure it remains fit for purpose.
5. Continue to optimise organisational strategies, policies and procedures to meet obligations to investors, employees and government.
6. Invest in Vinehealth Australia's systems to enhance our employee performance, productivity and motivation.



Image courtesy of
Coonawarra Vignerons.

ALIGNMENT WITH INDUSTRY AND GOVERNMENT STRATEGIES

Vinehealth Australia's Strategic Agenda has been developed to support the industry achieve its ambitions as described in the South Australian Wine Industry Plan, and the recently released Vision 2050 for the Australian wine industry. It also aligns with South Australian government priorities for growth and biosecurity, and national plant biosecurity strategies.

Vinehealth Australia is an active contributor to the Wine Biosecurity Committee, which is chaired and managed by Australian Grape & Wine. This Committee oversees the National Wine Biosecurity Strategy and provides advice on setting wine sector biosecurity policy that minimises the negative effects of pests on the Australian wine sector. The Committee is a collaboration of grape and wine producers, nursery and vine improvement organisations, wine sector supply chain participants, biosecurity and technical experts and Wine Australia.

Through this Committee, Vinehealth Australia has played an active role in shaping the National Wine Biosecurity Strategy 2019-2023 (National

Strategy) for which the Committee has oversight. The priorities of Vinehealth Australia's Strategic Agenda closely align with the six strategic objectives of the National Strategy, and collectively these two strategies will build a stronger biosecurity system for industry.

Ultimately, a stronger biosecurity system will ensure:

- Exotic pests are prevented from entering vineyards in Australia
- Phylloxera is contained within the existing Phylloxera Infested Zones (PIZ) in Australia
- In the event of an exotic or regulated endemic pest incursion, the pest is eradicated or contained and the impact on grape and wine assets minimised
- Effective management of high priority endemic pests of vineyards

Such a rigorous biosecurity system will enable market access, export growth and inbound wine tourism, and will protect the value and profitability of grape and wine assets.

INDUSTRY		GOVERNMENT
Vision 2050 (Australian Grape & Wine)	Vinehealth Australia Strategic Agenda 2021-2026	<ul style="list-style-type: none"> • Food, Wine and Agribusiness Plan for Growth • South Australia's AgTech Strategic Plan (South Australian government)
National Wine Biosecurity Strategy 2019-2023 (Wine Biosecurity Committee - Australian Grape & Wine)		<ul style="list-style-type: none"> • South Australia's Biosecurity Policy 2020-2023 (PIRSA)
South Australian Wine Industry Plan (South Australian Wine Industry Association and Wine Grape Council SA)		<ul style="list-style-type: none"> • National plant biosecurity strategies (Plant Health Australia) • Strategic Plan 2020-2025 (Wine Australia)



VINEHEALTH AUSTRALIA'S ROLE AND GOVERNANCE

BOARD

The Board of Vinehealth Australia maintains oversight over strategy, finances, operations, culture and reporting obligations.

The Board has up to seven members nominated to the Minister for Primary Industries and Regional Development by an industry Board Nominations Committee, an expert in viticultural research and is complemented with the ex officio appointment of the Chief Inspector for South Australia. This skills-based board functions according to contemporary board governance principles, with accountability to industry and the Minister for Primary Industries and Regional Development. The Chair of the Board is elected each year by the Board.

FUNCTIONS

Vinehealth Australia carries out activities across the four phases of biosecurity; preparedness, prevention, response and recovery.

In the Act, disease* means, (a) any bacterium, fungus, insect, mite or other arthropod, protozoan, virus or other organism or pathogen; or (b) any other condition, that may affect vines.

The primary functions of Vinehealth Australia as detailed in the Act are to:

- Identify and assess
 - o the relative threat to the state's vineyards posed by phylloxera and other diseases,
 - o the risk of spreading diseases through the movement of machinery, equipment, vines and other vectors into and within the state
- Develop policies in relation to
 - o the appropriate conditions for the movement of machinery, equipment, vines and other vectors into and within the state to prevent the spread of disease
 - o the quarantine of vines that are or may be affected by disease
 - o appropriate measures for the control of outbreaks of disease in the state

- Develop plans for the eradication of diseases in the state's vineyards
- Support and encourage the conduct and evaluation of research into diseases including their control and management and to publish the results of relevant research
- Promote awareness of the dangers of disease among the public and people involved in grape growing or winemaking
- Prepare and disseminate information on diseases, codes of conduct and work practices that minimise the risk of disease, or its spread, to people involved in grape growing or winemaking
- Approve nurseries (whether within or outside the state) that are capable of producing propagative material that is free of specified diseases or industry-based accreditation schemes for such nurseries
- Collect and supply data relating to vineyards and vine health in South Australia

Other core functions of Vinehealth Australia include:

- Assisting and supporting the grape industry in its initiatives
- Acting as inspectors under the *Plant Health Act 2009* ex officio
- In conjunction with the Chief Inspector, determining the appropriate action to be taken to control an outbreak and providing ongoing advice to the Minister regarding the outbreak and the action being taken to control it
- Maintaining a Register of all vineyards of 0.5 hectares or greater planted in South Australia, which includes owner and location details and planting information
- Managing a system to levy, collect and recover contributions (levies) payable under the *Phylloxera and Grape Industry Act 1995*

**For the purposes of this strategic agenda the word 'pest' is used to refer to the defined term 'disease' in our Act.*



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Government
of South Australia