

Murray Valley Wine Grape Industry Development Committee

Supporting Services of Value to Wine Grape Growers

**Annual Report
2004/2005**

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CHAIRMAN'S REPORT 2004/2005

After a year of significant change, the Murray Valley Wine Grape Industry Development Committee (herein referred to the IDC) has settled down to the job of getting the best value in research and development projects for the levy funds provided by growers.

The IDC comprises of the following members:

John Ward	Chairman & Victorian Grower Representative
Barry Cock	Deputy Chair & New South Wales Grower
Jeff Mitchell	Industry Representative
Bob Shields	Industry Representative
Ron Hutton	New South Wales Government Representative
Andrew Murdoch	New South Wales Grower Representative
Stuart Holland	Victorian Government Representative
Len Schliefert	Victorian Grower Representative
Jan O'Connor	Victorian Grower Representative

Part of the legislation requires the IDC to furnish a four year strategic plan to the Victorian Parliament, within one year of the legislation being signed off.

During August 2005, the IDC consulted with industry and a four year strategic plan was developed by IDC. This plan spells out the board objectives of the IDC for the next four years.

In December 2004, our Industry Development Officer (herein the IDO) Susan Byrne resigned from the position. The appointment of Liz McGuire was announced in April 2005. Liz has picked up on all the projects and will become known to all growers through her regular grower programs.

To conclude I thank all the committee members for their input and meeting attendance and a thank you to Michael De Palma and Mike Stone for their assistance during the year.

The projects completed in 2004/2005 and those approved for 2005/2006 are shown below. For further details go to the industry website at www.murrayvalleywinegrapes.com.au

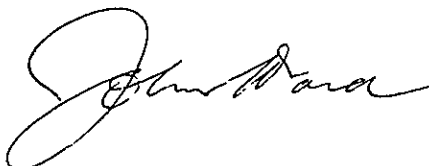
Projects Funded	Project Cost	Project Cost
	2004/2005 Actual \$	2005/2006 Approved \$
Annual Regional Crop Forecasting	15,600	
Improving Irrigation	15,720	
Grower Groups - Quality	11,900	
Industry Development Officer	69,546	73,480
Grapevine & Australian Viticulture Magazine - Newsletters & Publications	46,326	54,888
Information Collection & Communication	43,692	50,746
Regional Wine Shows	4,300	4,400
National Viticulture Input	61,122	61,133
Grower Survey	12,336	12,892
Industry Development Committee Administration	71,257	79,400
Grower Workshops		11,385
Reducing Powdery Mildew		5,115
Pruning Advice		5,115
VAMVVIA Site Development		10,000
SunRISE 21 Vineyard Mapping		15,450
Total (GST exclusive)	351,799	384,004

Contact Liz McGuire the Industry Development Officer for viticulture related assistance or Ashley Turner regarding voting or administration of levy funds.

Liz McGuire
 Industry Development Officer
 Address: 62 Madden Ave Mildura Vic
 Post: PO Box 2745, Mildura VIC 3502
 Phone: (03) 50 213 911
 Fax: (03) 50 232 335
 E-mail: liz.mcguire@murrayvalleywinegrapes.com.au

Ashley Turner, MVWGIDC Administration Accountant
 C/- WHK Thomsons - Accountants & Advisers
 Address: 133 Langtree Ave Mildura Victoria
 Post: PO Box 3232 Mildura Vic 3502
 Phone: (03) 5021 2244
 Fax: (03) 5021 1430
 Email: ashleyt@whkthomsons.com.au

I encourage all growers to participate in the project approval and voting process.



JOHN WARD
CHAIRMAN
MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE

SUMMARY OF CURRENT PLAN OF OPERATIONS 2004 - 2008

Guidelines

The Murray Valley Wine Grape Industry Development Committee (MVWGIDC) is a statutory organisation established under Victorian legislation, which enables it to collect and administer a compulsory charge (“levy”) on wine grape producers. The Committee must function in accordance with government legislation.

The MVWGIDC was originally established in 1990 as two separate committees under the *Victorian Agricultural Industry Development Act 1990* and the *New South Wales Agricultural Industry Services Act 1989*. However, following a successful vote of wine grape growers in the Murray Valley regions of NSW and Victoria, the responsible Ministers in Victoria and New South Wales, being the Minister for Agriculture, the Honourable Bob Cameron, and the Minister for Primary Industries, the Honourable Ian MacDonald, agreed to reconstitute the two committees as a single committee under the provisions of the *Agricultural Industry Development Act 1990* of Victoria. This process will greatly simplify the administration of the committee and result in more efficient use of industry funds. This process was completed in late 2004.

The production area covered by the MVWGIDC includes the local government areas of Mildura and Swan Hill Rural City Councils and the Shire of Gannawarra excluding the former Shire of Cohuna on the Victorian side of the Murray and Wentworth, Balranald and Wakool Shires in NSW.

The objectives of the Committee are to support the Murray/Darling and Swan Hill wine region growers by collecting and expending levies on projects that provide value, education and growth to the industry.

Purpose or Mission

The MVWGIDC supports the Murray/Darling and Swan Hill wine regions by funding regionally specific services to wine grape growers. In consultation with growers, it prioritises and resources strategically focussed projects, which address regional needs and which also complements the national initiatives of the Grape and Wine Research and Development Corporation.

In accordance with the requirements of the *Agricultural Industry Development Act 1990*, the MVWGIDC has recently completed a new four-year plan of operations (2005-2009). This plan actually projects one year beyond the term of the current IDC. This reflects the nature of the planning expectations for the committee’s work in the wine grape industry and anticipates the development of a new Order when this one expires in 2008.

Who benefits from the Committee’s existence?

The levy-paying wine grape growers.

What are the benefits to growers?

The benefits to levy-paying wine grape growers are a range of services including:

- Market information
- Information and assistance for achieving relevant wine grape quality standards
- Vineyard management support
- Highly accountable use of grower funds which are only used for grower approved projects

The Committee's Key Performance Indicators

Assessment of the committee's performance will be sought from growers; ultimately, the relevance of the Committee will be judged by the levy-paying growers. The Committee will judge its performance based on the following key performance indicators:

- Value is delivered for every levy dollar paid by growers
- Growers are satisfied with the services supported by levy funds
- Statutory reporting requirements are met efficiently
- Annual budgeting (versus actuals) process

Goals to June 2008

Goals 1 and 2 are considered to be of equal priority, while goal 3 is of a lower priority.

- ***Goal 1 - Industry stability and confidence through current market supply and projected demand information.***
Note that the IDC has no role in regard to prices. The activities surrounding this goal include information gathering and reporting to growers, mainly industry and market statistics both short-term and long-term.
- ***Goal 2 – Encourage all Murray Valley wine grapes meet industry quality standards by means of best practice viticulture and business management practices.***
Quality is an issue of high priority; quality measurement and improved viticulture practices cannot be separated, and for a sustainable industry, profitable business practices are essential. Improved viticulture practices must always be with improved (measured) quality as a goal.
The IDC will invest in projects that 'fill a gap' and are specific to the Murray Darling and Swan Hill regions.
- ***Goal 3 – Enhancing the recognition of the quality of wines produced in the Murray Darling and Swan Hill geographical indicator regions and sub regions.***
Build recognition by growers of variation in wine quality and how this relates to market requirements. This goal is closely linked to goal 2.

Staffing requirements

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

Industry Development Officer – Liz McGuire

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

Liz McGuire

Contact – Ph (03) 5021 3911, PO Box 2745 Mildura Vic 3502.

Administration

Administration of the MVWGIDC is contracted to WHK Thomsons of Mildura. All communication and enquiries should be to:

Ashley Turner

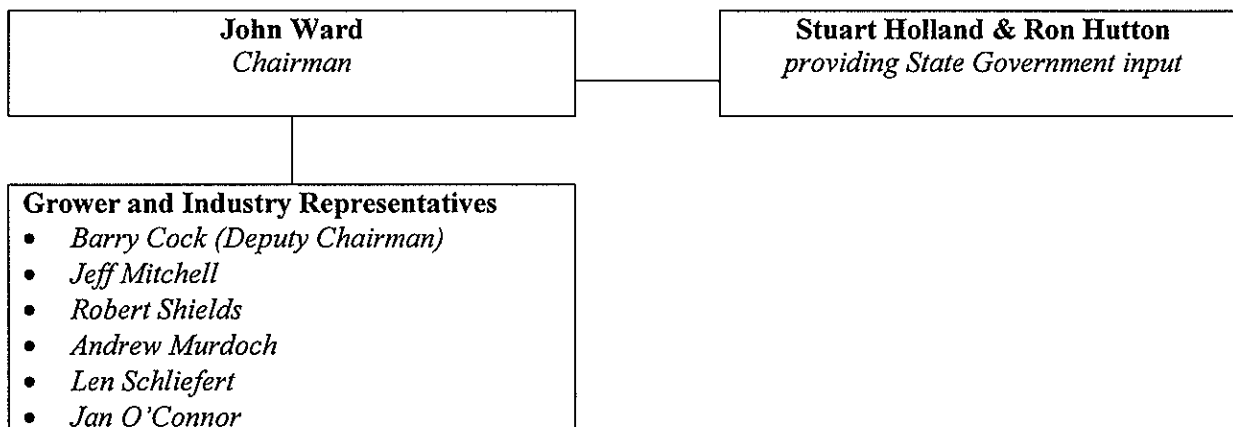
Contact – Ph (03) 5021 2244, PO Box 3232 Mildura Vic 3502.

Committee (workforce data)

You are encouraged to contact any of the committee if you have any industry development concerns or suggestions. The Committee members and their role as representatives are below.

John Ward	Chairman & Vic Grower Representative	(03) 5037 6685
Barry Cock	Deputy Chair & NSW Grower Representative	(03) 5021 2809
Jeff Mitchell	Industry Representative	(03) 5024 3223
Robert (Bob) Shields	Industry Representative	(03) 5023 5742
Ron Hutton	NSW Government Representative	(02) 6933 2108
Andrew Murdoch	NSW Grower Representative	(03) 5027 4396
Stuart Holland	Vic Government Representative	(03) 9658 4863
Len Schliefert	Vic Grower Representative	(03) 5024 1691
Jan O'Connor	Vic Grower Representative	(03) 5026 3385

Organisational Chart



SUMMARY OF PROJECTS FUNDED 2004/2005

Project	Results
Industry Development Officer	Until January 2005, the viticulture and vineyard management projects were managed by Susan Byrne. On her departure, Liz McGuire was appointed Industry development Officer.
Murray Valley Wine Grape Industry Development Committee	The administration function of the MVWGIDC ensures that all accounting, secretarial and statutory requirements are met.
Information Collection & Communication	<p>Activities associated with this project included:</p> <ul style="list-style-type: none"> ▪ Part-funding the annual Wine Grape Crush survey, published as a report after harvest every year to provide information on total intake by variety, weighted average prices and supply/demand projections. Highlights of the report were carried in the September 2004 edition of the <i>Grapevine</i> newsletter. ▪ Analysis and communication of wine export figures, ABS vineyard survey and regional industry statistics. ▪ Collating and presenting supply/demand data at the Australian Wine Grape Conference in November 2004, and the What's Going On conference in June 2005.
Grapevine & Australian Viticulture Magazine	<i>Murray Valley Winegrowers' Grapevine</i> continued to help in keeping more than 1300 growers throughout the Murray Valley fully up to date with the latest industry and viticultural developments. Six editions annually report industry events and trends that influence growers' profitability, winery policies that impact on growers, wine sales in Australia and overseas, research and development and training and education opportunities. One of the most authoritative publications on viticulture in Australia, <i>Australian Viticulture</i> , is offered to growers in the Murray Valley at a discounted rate. This provided the opportunity for growers to examine the outcomes of significant R&D projects and ways of applying them to their own vineyard operations.
Regional Wine Shows	Support for the Australian Inland Wine Show, organised and presented for more than 20 years by the Swan Hill Wine Region Grape Growers' Association, and Australian Alternative Varieties Wine Show in Mildura, assisted both in achieving record entries. These wine shows put the Murray-Darling and Swan Hill wine regions "on the map", resulting in significant publicity and greater awareness of their key role in the growth of the Australian wine industry.
Grower Survey	In the first half of the financial year all growers on the database maintained by Murray Valley Winegrowers' Inc received a survey requesting confirmation of property and personal details, information on planting and/or removal intentions, irrigation methods and grape purchasing arrangements. As a result, Murray Valley Winegrowers', which represents growers on a range of issues, developed an up-to-date list of the vast majority of growers in the region, and an industry profile that assisted in planning and promotions.
National Viticulture Input & Industry Representation	This project allowed the Murray Valley wine grape industry to contribute to national industry affairs, to ensure that the interests of growers were always considered in the decision-making processes of such bodies as the Australian Wine & Brandy Corporation, Wine Industry Relations Committee, Legal Metrology Working Group, Grape and Wine Research & Development Corporation, Cooperative Research Centre for Viticulture, National Vine Health Steering Committee and Wine Grape Growers' Australia. Representing about 25% of the national crush, it was, and it will remain, absolutely essential for the Murray Valley to be heard wherever and whenever issues impacting on the viability of growers are discussed and decided.
Annual Regional Crop Forecasting	The results from the Murray Valley Winegrowers' bud dissection project have shown Shiraz and Chardonnay bud fertility across the Murray Darling to be similar to the 2004-05 season results. Reg Johns a local viticultural consultant has been employed to follow the bud analysis pruning recommendations through until harvest in the 2005-06 season. The aim is to make an assessment of the suitability of the bud analysis technique for use in the warm climate region of the Murray Valley and its accuracy when using results to prune to a targeted yield. Reg will be concentrating on Shiraz in this project due to its higher susceptibility to bud death and the implications this condition could have on yield when pruning. Ten Shiraz sites spread across the Murray-Darling and Swan Hill regions will be monitored throughout the season with a report due in June 2006.

Preventing Delayed Ripening	Investigations into early ripening or preventing delayed ripening were completed by Schofield and Robinson in June. Information was sourced from scientific literature, industry data and structured interviews conducted with wine industry personnel, private consultants and scientists. Results gave some conflicting views in the literature. It was clear however that excessive irrigation did delay harvest of fruit thus exposing fruit to environmental factors longer which could be detrimental to fruit / wine quality. Information was conveyed to growers through an article in the industry newsletter and the full report can be found on the Murray Valley Winegrowers Inc website.
Vineyard Cooling	Temperature data loggers were placed in vineyards with different management techniques, i.e. pruning styles, floor management and irrigation systems. The objective of the project was to observe if certain management practices resulted in significant temperature differences. Information was recorded by the data loggers in the 2004-05 season, results are being analysed.
Improving Irrigation	<p>A number of irrigation management courses and field walks have been run throughout the season to assist growers when improving their irrigation, Within these activities growers observed and learnt about aspects of soil surveys, different types of soil moisture monitoring equipment, the checklists for irrigation operation and maintenance and have made contacts with local irrigation contractors and consultants.</p> <p>Sponsorship of the "Irrigation for Profit" session at the Viticulture '04 conference provided growers with the opportunity to access technical information on improving irrigation.</p> <p>A number of articles relating to different aspects of irrigation technology have been included in the industry magazine.</p>
Grower Groups - Quality	<p>Sprayer Calibration Workshops Four workshops were held. The workshops were winery specific, to concentrate on individual winery spray diaries. The workshops were held with Southcorp, Hardy's and Zilzie Wines. The feedback on the workshops was very positive; growers found it useful as a refresher course for filling in their diary and calibrating their sprayer.</p> <p>Pest and Disease Workshops Two Powdery Mildew workshops were held in Mildura. Feedback indicated that growers found the course to be a good refresher. In particular growers said they got a lot out of the following sessions:</p> <ul style="list-style-type: none"> • Discussion of new chemicals in the market and their place in a spray program • Discussion on the water volumes required for adequate coverage in this district and calculations for concentrate spraying • Visual assessment of the 'early' symptoms of powdery mildew <p>A powdery and downy mildew workshop was held in Swan Hill. Growers mainly talked about available chemicals and water rates.</p> <p>A bus tour to Griffith in the Riverina Fifteen growers attended. The trip was very successful, with growers very interested in the regional differences in viticultural management practices. The trip generated a lot of discussion and questions.</p> <p>Swan Hill Benchmark project Swan Hill Wine Association is undertaking a three year Shiraz quality benchmark project.</p> <p>Grower / Industry Consultation Grower / industry consultation groups have been held. These groups have looked at different topics including ways for growers to cut costs, the possibilities of mothballing and OH&S.</p>

CORPORATE GOVERNANCE

Financial & Other Information

Multi-Cultural Statement

The Murray Valley Wine Grape Industry Development Committee is committed to policies, programs and strategies aimed at delivering culturally appropriate services to all Victorian and New South Wales wine grape growers. Current practices of inclusive and thorough public consultation ensure that all persons who have an interest in investigation are kept informed and have the opportunity to have an input into Murray Valley Wine Grape Industry Development Committee deliberations.

Freedom of Information

During 2004/2005 the Committee did not receive any direct requests for access to documents under the *Freedom of Information Act 1982*.

Compliance with Building Act 1993

The MVWGIDC does not own and is not responsible for any buildings.

Whistleblowers Protection Act

The Whistleblowers Protection Act 2001 (the Act) is designed to protect people who disclose information about serious wrong doing within the Victorian Public Sector and to provide a framework for the investigation of these matters.

The protected disclosure co-ordinator for the Department of Primary Industries (DPI) acts as an agent for the Committee to receive disclosures under the Act, and applies DPI procedures in managing disclosures.

Disclosures of improper conduct by the Committee or its employees may be made to the following:

Mr Stuart Atkins
Protected Disclosure Co-ordinator
Department of Primary Industries
PO Box 4440
MELBOURNE VIC 3001
Telephone: (03) 9658 4030 Email: stuart.atkins@dpi.vic.gov.au

The Ombudsman Victoria
Level 22
459 Collins Street
MELBOURNE VIC 3000
Telephone: (03) 9613 6222 Toll free: 1800 806 314

Consultancies

The MVWGIDC did not engage any consultancies over or under \$100,000 during the 2004/2005 financial year.

National Competition Policy

The requirements of the National Competition Policy are taken into account by the Committee when providing advice to the Minister for Agriculture.

Pecuniary Interests

Declarations of pecuniary interests have been duly completed by all relevant officers and are available to the Minister, Members of Parliament and the public on request.

Events Subsequent to Balance Date

There being no major events subsequent to balance date.

Significant Changes in Financial Position during the Year

A significantly higher 2004 grape harvest resulted in a surplus for the 2004/2005 financial year. This was a turnaround compared to the previous financial year, where carry forward reserves assisted given the operating loss.

Other Information

Information relating to Financial Reporting Direction 22 is available upon request.

Occupational Health & Safety

The MVWGIDC complies with all Occupational Health and Safety guidelines and provides a safe environment for all committee members to hold meetings.

Privacy Policy

The MVWGIDC is obliged to collect and use personal and business information in order to carry out its statutory duties. In so doing, the principles of the Commonwealth Privacy Act 1998 will be adhered to and the MVWGIDC will endeavour to collect only the minimum information required and to do so in a way that maintains security, privacy and accuracy of information. Further, the MVWGIDC undertakes to not disclose personal or business information to other parties. The database of producer information is shared with the Murray Valley Winegrowers' Incorporated.

Financial Review of Operations and Financial Conditions

Five year financial summary – Budget Portfolio Outcomes

	2005	2004	2003	2002 \$	2001 \$
Revenue from statutory Levy	380,129	288,997	436,732	317,022	423,152
Revenue from voluntary Levy	190,065	144,499	161,495	126,808	-
Other Revenue	13,571	8,076	9,102	9,239	19,378
Total Revenue	583,765	441,572	607,329	453,069	442,530
Net Operating Result	40,018	(77,547)	123,357	27	(8,697)
Net Cash Flow from Operations	46,239	(85,255)	118,966	8,246	(9,752)
Total Assets	133,196	88,062	165,675	49,588	39,264
Total Liabilities	11,030	5,914	5,980	13,150	2,953

NB: The increased operating surplus for the 2002 vintage (2003 financial year) is due to above average yields and substantial new plantings coming into bearing.

Operational and Budgetary Objectives and Performance against

Objectives

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

Major Changes or Factors Affecting Performance

There were no changes to the accounting systems or factors affecting performance during the year ending June 2005.

Statement to the Availability of Other Information

Requests for other information related to the operation of the Committee can be forwarded to The Secretary MVWGIDC, PO Box 3232 Mildura Victoria 3502.

Executive Officers Disclosures

The Chairman receives a monthly honorarium of \$691.66. All Committee members (excluding Government representatives) are entitled to a sitting allowance of \$183 per day and motor vehicle allowance paid per kilometres travelled to and from official Committee business.

Victorian Industry Participation Policy Disclosures

The MVWGIDC does not have any services provided at a cost of \$1 million or more.

Reporting of Office-Based Environmental Impacts

Not applicable.

Disclosure of Major Contracts

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

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005**

	Note	2005 \$	2004 \$
Revenue from Ordinary Activities			
Levy Income	2	570,194	433,496
Interest Received		9,670	8,076
Sundry Income		3,901	-
Total Revenue		<u>583,765</u>	<u>441,572</u>
Expenses from Ordinary Activities			
Audit Fees	3	2,500	2,200
Depreciation	4	87	122
Project Expenditure	5	280,542	296,025
Other Expenses	6	71,257	67,344
V & MVWGGC Inc Voluntary Levy		189,361	153,428
Total Expenses		<u>543,747</u>	<u>519,119</u>
NET SURPLUS / (DEFICIT) FROM ORDINARY ACTIVITIES		<u>40,018</u>	<u>(77,547)</u>
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH THE VICTORIAN STATE GOVERNMENT AS OWNER			
		<u>40,018</u>	<u>(77,547)</u>

*The above Statement of Financial Performance should be read in conjunction with
the Notes to these financial statements.*

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2005

	Note	2005 \$	2004 \$
CURRENT ASSETS			
Cash Assets	11	125,382	79,143
Receivables	7	7,590	8,608
TOTAL CURRENT ASSETS		<u>132,972</u>	<u>87,751</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	224	311
TOTAL NON CURRENT ASSETS		<u>224</u>	<u>311</u>
TOTAL ASSETS		<u>133,196</u>	<u>88,062</u>
CURRENT LIABILITIES			
Payables	9	11,030	5,914
TOTAL CURRENT LIABILITIES		<u>11,030</u>	<u>5,914</u>
TOTAL LIABILITIES		<u>11,030</u>	<u>5,914</u>
NET ASSETS		<u>122,166</u>	<u>82,148</u>
EQUITY			
Contributed Capital	10 (a)	36,311	36,311
Retained Profits	10 (b)	85,855	45,837
TOTAL EQUITY		<u>122,166</u>	<u>82,148</u>

*The above Statement of Financial Position should be read in conjunction with
the Notes to these financial statements.*

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2005**

	Note	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Levies Collected		571,212	433,496
Interest Received		9,670	8,076
Payments to Suppliers		(538,544)	(526,827)
Other Receipts		3,901	-
Net Cash from Operating Activities	12	46,239	(85,255)
Net Increase in Cash held		46,239	(85,255)
Cash at Beginning of the Financial Year		79,143	164,398
Cash at end of the Financial Year	11	125,382	79,143

*The above Statement of Cash Flows should be read in conjunction with
the Notes to these financial statements.*

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Financial Management Act 1994. The financial report is prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

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

- (a) **Receivables and Revenue Recognition**
Operating and Other Revenues are recognised as they are earned. Trade Debtors are carried at nominal amounts due and are due for settlement within 30 days. Collectability of debts is reviewed on an ongoing basis. A provision of doubtful debts is raised where doubt as to collection exists.
- (b) **Rounding Off**
All amounts shown in the financial statements are expressed to the nearest dollar.
- (c) **Fixed Assets and Depreciation**
Depreciable assets with a cost in excess of \$500 are brought to account and depreciation has been provided over their estimated useful life to the Committee using both Diminishing Value and Prime Cost methods.
- Office Equipment items are being depreciated at 30% Diminishing Value and 25% Prime Cost.
Office Furniture is being depreciated at 25% Diminishing Value.
- (d) **Revenue Recognition**
Revenue is recognised in accordance with AAS15. Income is recognised as revenue to the extent it is earned. Should there be unearned income at the reporting date, it is reported as income in advance.
- (e) **Levies**
Income from levies is recognised on receipt.
- (f) **Goods and Services Tax (GST)**
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables, in the statement of financial position are shown inclusive of GST.

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005**

(g) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards

The Committee is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for the financial years commencing 1 January 2005. The adoption of AIFRS will be reflected in the Committee's financial statements for the year ending 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

The Committee, along with its auditors, have assessed the significance of the expected changes and are preparing for their implementation. The impact of the alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards has been considered where applicable.

The Committee are of the opinion that there are no material differences in the Committee's accounting policies on conversion to AIFRS. Users of the financial statements should note, however, that this could change if there are any amendments by standard-setters to the current AIFRS, or interpretation of the AIFRS requirements changes due to the continuing work of the Committee.

	2005	2004
	\$	\$

NOTE 2: LEVY INCOME

Compulsory Levy	380,129	288,997
Voluntary Levy	190,065	144,499
	570,194	433,496

NOTE 3: AUDIT FEES

The total audit fee payable to the Auditor General for the period from July 1 to June 30

	2,500	2,200
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NOTE 4: DEPRECIATION

Office Equipment	56	81
Office Furniture	31	41
	87	122

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
NOTE 5: PROJECT EXPENDITURE		
Annual Regional Crop Forecasting	15,600	15,600
Foliar Mineral Sprays	-	16,024
Grapevine & Australian Viticulture	-	62,403
Grapevine Magazine	46,326	-
Grower Groups - Quality	11,900	21,000
Grower Survey	12,336	11,044
Improving Irrigation	15,720	-
Information Collection & Communication	43,692	-
Industry Development Officer	69,546	56,254
Industry Representation	-	6,600
Managing for Colour	-	7,200
Market Information & Statistics	-	28,700
National Viticulture Input	61,122	45,000
Preventing Delayed Ripening	-	7,200
Regional Wine Shows	4,300	4,000
Seminars & Field Days	-	3,000
Vineyard Cooling	-	12,000
	280,542	296,025

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005**

	2005	2004
	\$	\$
NOTE 6: OTHER EXPENSES		
Accountancy Fees	5,120	4,111
Advertising	812	392
Annual Report Expenses	4,255	6,807
Audit Fees (Wineries)	2,635	2,081
Bank Charges	609	597
Committee Allowance & Travel	13,784	10,426
General Expenses	-	1,164
Grower Communication	8,000	2,173
Honorarium	8,300	8,300
Insurance	1,981	1,979
New Order Costs	1,959	9,711
Petty Cash	91	-
Printing, Postage and Stationery	3,341	2,053
Secretarial	19,000	17,280
Subscriptions	90	50
Telephone	293	-
Website Maintenance	987	220
	71,257	67,344

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005

	2005	2004
	\$	\$
NOTE 7: RECEIVABLES (CURRENT)		
GST Receivable	<u>7,590</u>	<u>8,608</u>
NOTE 8: PROPERTY, PLANT & EQUIPMENT		
Office Furniture at Cost	1,219	1,219
Less: Accumulated Depreciation	<u>(1,127)</u>	<u>(1,096)</u>
	92	123
Office Equipment at Cost	5,250	5,250
Less: Accumulated Depreciation	<u>(5,118)</u>	<u>(5,062)</u>
	132	188
Total Property, plant & equipment	<u>224</u>	<u>311</u>
NOTE 9: PAYABLES (CURRENT)		
Trade Creditors	6,130	1,914
Audit Fees Accrued	2,500	2,200
Accounting Fees Accrued	1,800	1,800
Other Accrued Expenditure	600	-
	<u>11,030</u>	<u>5,914</u>
NOTE 10: EQUITY		
(a) Contributed Capital		
Balance at Beginning of Reporting Period	36,311	36,311
Balance at end of reporting period	<u>36,311</u>	<u>36,311</u>
(b) Retained Earnings		
Retained Surplus at the beginning of the reporting period	45,837	123,384
Net Surplus/(Deficit) for the year	<u>40,018</u>	<u>(77,547)</u>
Retained Surplus at the end of the reporting period	<u>85,855</u>	<u>45,837</u>

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005**

	2005	2004
	\$	\$
NOTE 10: EQUITY (CONTINUED)		
(c) Equity		
Total Equity at the Beginning of Reporting Period	82,148	159,695
Total Changes in Equity Recognised in the Statement of Financial Performance	<u>40,018</u>	<u>(77,547)</u>
Total Equity at the Reporting Date	<u><u>122,166</u></u>	<u><u>82,148</u></u>

NOTE 11: RECONCILIATION OF CASH

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in Money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash at Bank	<u>125,382</u>	<u>79,143</u>
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NOTE 12: RECONCILIATION OF NET CASH PROVIDED BY (USED IN) IN OPERATING ACTIVITIES TO OPERATING SURPLUS

Operating Surplus(Deficit)	40,018	(77,547)
Non Cashflows in Operating Result		
Depreciation	87	122
Changes in Assets & Liabilities		
(Increase)/Decrease in Receivables	1,018	(7,764)
Increase/(Decrease) in Payables	<u>5,116</u>	<u>(66)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>46,239</u></u>	<u><u>(85,255)</u></u>

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005**

NOTE 13: CONTINGENT LIABILITIES

As at 30 June 2005, the Committee is unaware of any liability, contingent or otherwise, not already disclosed elsewhere in these financial statements.

NOTE 14: COMMITMENTS FOR EXPENDITURE

As at 30 June 2005, the Committee is unaware of any commitments which have not already been recorded elsewhere in this financial report.

NOTE 15: RESPONSIBLE PERSONS RELATED PARTY DISCLOSURES

(a)	CAMERON , The Honourable Bob	Responsible Minister – Victoria
	MACDONALD , The Honourable Ian	Responsible Minister – New South Wales
	WARD , John (Chairperson)	Industry Representative
	COCK , Barry	Grower Representative
	MURDOCH , Andrew	Grower Representative
	SCHLIEFERT , Len	Grower Representative
	SHIELDS , Robert	Industry Representative
	HOLLAND , Stuart	Victorian Government Representative
	MITCHELL , Jeff	Grower Representative
	HUTTON , Ron	NSW Government Representative
	O'CONNOR , Jan	Grower Representative

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

The Chairperson of the Committee is entitled to an annual Honorarium of \$8,300.

	2005	2004
(b) Executive Officer Remuneration	\$	\$
No Executive Officers of the Committee were in receipt of a remuneration package in excess of \$100,000	Nil	Nil
(c) Retirement Benefits of Responsible Persons	Nil	Nil
(d) Other Transactions of Responsible Persons Related Entities	Nil	Nil
(e) Other receivable from and payable to Responsible Persons and Responsible Person related parties.	Nil	Nil
(f) Amounts attributable to other transactions with Responsible Persons and Responsible Person related parties.	Nil	Nil
(g) Responsible Persons are paid an attendance allowance of \$183 per day for attendance at recognised meetings and seminars.		
(h) Responsible Persons are reimbursed for actual expenses incurred relating to motor vehicle, travel, accommodation and fares when incurred on Responsible Persons business.		

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005

NOTE 16: FINANCIAL INSTRUMENTS

(a) Terms, Conditions & Accounting Policies

The economic entity's accounting policies, including the terms and conditions of each class of financial assets, financial liabilities and economic instrument both recognised and unrecognised at the balance date, as follows:

<i>Recognised Financial Instruments</i>	<i>Balance Sheet Note</i>	<i>Accounting Policies</i>	<i>Terms & Conditions</i>
i) Financial Assets Receivables – Trade	7	Trade Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Credit sales are on 30 day terms.
ii) Financial Liabilities Trade Creditors and Accruals	9	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity.	Trade liabilities are normally settled on 30 day terms.

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005**

NOTE 16: FINANCIAL INSTRUMENTS (CONTINUED)

(b) Interest Rate Risk

	Floating Interest Rate		Non Interest Bearing		Total Carrying amounts as per the Balance Sheet		Weighted Average Effective Interest	
	2005	2004	2005	2004	2005	2004	2005	2004
	\$	\$	\$	\$	\$	\$	%	%
(i) Financial Assets								
Cash	125,382	79,143	-	-	125,382	79,143	3.2	3.2
Receivables – Trade			7,590	8,608	7,590	8,608	N/A	N/A
Total Financial Assets	125,382	79,143	7,590	8,608	132,972	87,751		
(ii) Financial Liabilities								
Trade Creditors & Accruals	-	-	11,030	5,914	11,030	5,914	N/A	N/A
Total Financial Liabilities	-	-	11,030	5,914	11,030	5,914		

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is the carrying amount, net of any provision for doubtful debts, as disclosed in the statement of doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Committee does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Committee.

(d) Net Fair Values

Methods and assumptions used in determining net fair value:

The net fair values of assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE

CERTIFICATION

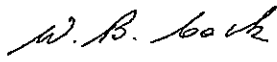
In accordance with a resolution of the Murray Valley Wine Grape Industry Development Committee, we the undersigned:

- i) Certify that in our opinion the accompanying financial statements comprising Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Accounts, present fairly the financial transactions during the 12 months ended 30 June, 2005 and the financial position of the Committee as at that date;
- ii) Are not aware of any circumstances which would render any particulars included in the statements to be misleading or inaccurate; and
- iii) State that in our opinion the financial statements have been prepared in accordance with the Financial Management Act, 1994.

Signed at Mildura this *1st* day of September, 2005.

On behalf of the Committee:


John Ward
Chairperson of the Committee


Barry Cock
Deputy Chairperson of the Committee

AUDITORS REPORT



AUDITOR GENERAL
VICTORIA

REPORT OF AUDITOR-GENERAL'S DELEGATE

To the Members of the Parliament of Victoria, responsible Ministers and Members of the Murray Valley Wine Grape Industry Development Committee.

Audit Scope

The accompanying financial report of Murray Valley Wine Grape Industry Development Committee for the financial year ended 30th June 2005, comprising Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, has been audited under the delegated authority provided by the Auditor-General under the *Audit Act* 1994. The Members of the Committee are responsible for the preparation and presentation of the financial report and the information it contains. An independent audit of the financial report has been carried out in order to express an opinion on it to the Members of the Parliament of Victoria, responsible Ministers and Members of the Committee as required by the *Audit Act* 1994.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the *Financial Management Act* 1994, so as to present a view which is consistent with my understanding of the Committee's financial position, financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the *Financial Management Act* 1994, the financial position of Murray Valley Wine Grape Industry Development Committee as at 30 June 2005 its financial performance and cash flows for the year then ended.

Davidson
Delegate of
J.W. CAMERON
Auditor-General

Geelong
01/09/05

Victorian Auditor-General's Office Level 34, 140 William Street, Melbourne Victoria 3000
Telephone (03) 8601 7000 Facsimile (03) 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

DISCLOSURE INDEX

The annual report of the Murray Valley Wine Grape Industry Development Committee is prepared in accordance with the *Financial Management Act 1994*, the Directions of the Minister for Finance, and other relevant Victorian legislation. This index facilitates identification of the IDC's compliance with statutory disclosure requirements by listing references to disclosures that appear throughout the report.

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FRD 22	Nature and range of services provided	5
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FRD 22	Application and operation of the <i>Whistleblowers Protection Act 2001</i>	10
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FRD 22	Details of consultancies under \$100,000	10
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<i>Other disclosures in notes to the financial statements</i>		
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