

Murray Valley Wine Grape Industry Development Committee

Supporting Services of Value to Wine Grape Growers

**Annual Report
2006/2007**

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CHAIRMAN'S REPORT 2006/2007

The composition of the Committee has not altered for 2006/2007 and is as below;

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

In review of the 2006/2007 financial year, I report on what has been another year of challenges in an industry which is still readjusting itself after intense growth within the last 10 years.

The Murray Valley Winegrape Industry Committee (herein the IDC) continues to strive to achieve value for growers valuable levy dollars. The IDC is certain that it delivers this with technology transfer projects and a team of officers ensuring growers are benefiting their practices for the future. The IDC continues to search for ways to deliver wine grape growers value in this challenging environment.

The newly appointed Grower Services Officer, Rod Sluiter, has served the position well and with Liz McGuire, are both available to all growers. They are a valuable resource that many growers contact for assistance.

In these difficult times the help and cooperation of Michael DePalma and Mike Stone has been outstanding and I thank them for their contribution.

The projects completed in 2006/2007 and those approved for 2007/2008 are shown below. For further details go to the industry website at www.murrayvalleywinegrapes.com.au

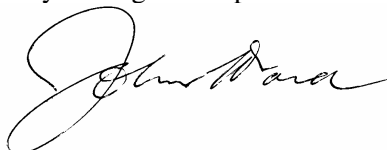
Projects Funded	Project Cost 2006/2007 Actual \$	Project Cost 2007/2008 Approved \$
Grapevine & Australian Viticulture Magazine - Newsletters & Publications	55,967	35,707
Industry Development Officer	65,787	70,890
Industry Development Committee Administration	72,107	76,855
Market Information & Statistics	45,860	35,700
Regional & National Viticulture Input	65,502	67,650
Regional Wine Shows	5,060	-
VAMVVIA Site Development	10,000	-
Grower Groups	15,033	10,750
Grower Services & Projects Officer	62,151	57,220
Improving Grape Sale Prospects	8,604	6,530
Nutrition Scoping	27,825	-
Soil Health	20,045	-
Production of Spray Diary	6,825	4,000
Total (GST exclusive)	460,766	365,302

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 Secretary
 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

In executing the IDC's operations orderly, I encourage all growers to participate in the annual voting process and contribute to the election of new projects. The IDC would like to see many more growers partake and have a say about how your levies are spent.



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

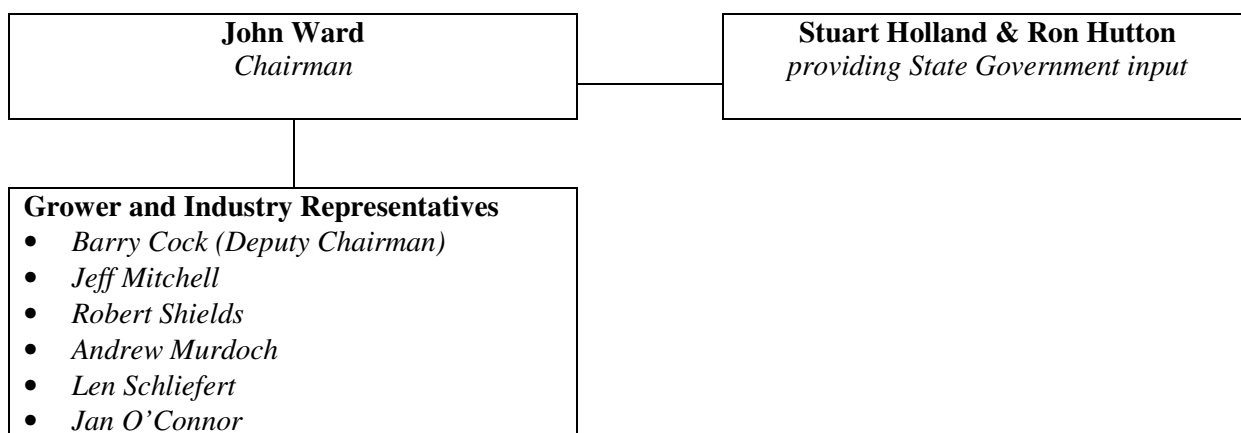
PO Box 3232 Mildura Vic 3502

Statement of workforce data and merit and equity

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. Both male and female representatives are encouraged to contribute to the Committees' operations.

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 Structure



SUMMARY OF PROJECTS FUNDED 2006/2007

Project	Results
Industry Development Officer	To maximise the uptake by Murray Valley winegrape growers of vineyard management practices that contribute to enhanced sustainability and profitability
Murray Valley Wine Grape Industry Development Committee	The administration function of the MVWGIDC ensures that all accounting, secretarial and statutory requirements are met.
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.
Information Collection & Communication	Activities associated with this project included: <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 later editions of the <i>Grapevine</i> newsletter. ▪ Analysis and communication of wine export figures, ABS vineyard survey and regional industry statistics.
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 Groups	Information transfer is a major part of learning and improving winegrape production techniques. Growers often benefit from information delivered in an interactive group environment. The expectations of this project are to target a maximum of three grower-nominated topics and develop practical programs to deliver the information requested. Growers were consulted throughout the 2005-06 season to determine the topics of interest and allow early organisation for delivery in the 2006-07 season.
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.
Soil Health	The expectations of this project are to involve growers in the examination of information and production techniques that may assist in maintaining soil health and sustainable winegrape production in the Murray Valley. Field trials may require up to three years maintenance to determine longer-term effects of treatments in maintaining soil health and sustainability. Evaluation steps will be conducted throughout the project to measure success and to determine improvements for future programs.
Production of Spray Diary	Murray Valley Winegrowers' (MVW) aims to produce a spray diary that is appropriate for all wine growers in the Murray Valley. The intention is to produce both print and electronic versions.

Nutrition Scoping Study	The expectation of this project is that a combination of sources will provide the information necessary to determine the scope, and degree of difficulty, associated with developing new plant nutrition standards for the Murray Valley. Potential partners in this project include GWRDC, Agrichem, Landmark, DPI, and CSIRO.
Improving Grape Sale Prospects	For several years Murray Valley Winegrowers' (MVW) has operated a listing of wine grapes available for sale. Advice of the availability of the varieties listed is made available to more than 100 wineries in three states. Wineries then have the opportunity of receiving the list, contacting growers and making arrangements for purchasing fruit.
Grower Services & Project Officer	To investigate and develop services for growers that deliver savings, greater efficiencies and more professionalism in the areas of business management and winery-grower relations; to maximise the potential of the grower database in delivering services to growers.
VAMVVIA Site Development	Funding to assist the development of the new source area site at Dareton in NSW.

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 2006/2007 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 2006/2007 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 and Members of Parliament on request.

Events Subsequent to Balance Date

There being no quantifiable events subsequent to balance date.

Significant Changes in Financial Position during the Year

There being no significant changes in financial position during the year.

Other Information

Information relating to Financial Reporting Direction 22A 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.

Summary of the financial results for the year

Five year financial summary – Budget Portfolio Outcomes

	2007	2006	2005	2004	2003
Revenue from statutory Levy	345,654	449,253	380,129	288,997	436,732
Revenue from voluntary Levy	172,863	224,626	190,065	144,499	161,495
Other Revenue	14,325	16,121	13,571	8,076	9,102
Total Revenue	532,842	690,000	583,765	441,572	607,329
Net Operating Result	(101,307)	77,834	40,018	(77,547)	123,357
Net Cash Flow from Operations	(105,000)	75,113	46,239	(85,255)	118,966
Total Assets	105,575	207,066	133,196	88,062	165,675
Total Liabilities	6,882	7,066	11,030	5,914	5,980

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.

Employment and conduct principles

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

Major Changes or Factors Affecting Performance

There were no changes to the accounting systems or factors affecting performance during the year ending June 2007.

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

**General Purpose Financial Report
For the Year Ended 30 June 2007**

Operating Statement

Balance Sheet

Statement of Changes in Equity

Cash Flow Statement

Notes to the Accounts

Certification by Members of the Committee

Independent Audit Report

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
Revenue from Operating Activities			
Levy Income	2	345,654	673,879
Interest Received		14,325	16,121
Total Revenue		<u>359,979</u>	<u>690,000</u>
Expenses from Operating Activities			
Audit	3	2,600	2,600
Depreciation	4	45	63
Project Expenditure	5	388,659	307,903
Other Expenses	6	72,107	75,362
V & MVWGGC Inc Voluntary Levy		-	226,238
Total Expenses		<u>463,411</u>	<u>612,166</u>
PROFIT/(LOSS) FOR THE YEAR		<u>(103,432)</u>	<u>77,834</u>

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

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents	11	95,495	200,495
Receivables	7	9,964	6,410
TOTAL CURRENT ASSETS		<u>105,459</u>	<u>206,905</u>
NON-CURRENT ASSETS			
Property, plant & equipment	8	116	161
TOTAL NON-CURRENT ASSETS		<u>116</u>	<u>161</u>
TOTAL ASSETS		<u>105,575</u>	<u>207,066</u>
CURRENT LIABILITIES			
Payables	9	9,007	7,066
TOTAL CURRENT LIABILITIES		<u>9,007</u>	<u>7,066</u>
TOTAL LIABILITIES		<u>9,007</u>	<u>7,066</u>
NET ASSETS		<u><u>96,568</u></u>	<u><u>200,000</u></u>
EQUITY			
Contributed Capital	10(a)	36,311	36,311
Retained Profits	10(b)	60,257	163,689
		<u>96,568</u>	<u>200,000</u>

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

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007**

	Contributed Capital \$	Retained Earnings \$	Total \$
Balance at 1 July 2005	36,311	85,855	122,166
Surplus attributable to the entity	-	77,834	77,834
Balance at 1 July 2006	<u>36,311</u>	<u>163,689</u>	<u>200,000</u>
Deficit attributable to the entity	-	(103,432)	(103,432)
Balance at 30 June 2007	<u><u>36,311</u></u>	<u><u>60,257</u></u>	<u><u>96,568</u></u>

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

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Levies Collected		342,100	675,059
Interest Received		14,325	16,121
Payments to Suppliers		<u>(461,425)</u>	<u>(616,067)</u>
Net Cash from Operating Activities	12	(105,000)	75,113
			-
Net Increase/(Decrease) in Cash held		(105,000)	75,113
Cash and cash equivalents at beginning of the year		<u>200,495</u>	<u>125,382</u>
Cash and cash equivalents at end of the year	11	<u>95,495</u>	<u>200,495</u>

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

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

- (a) **Basis of Preparation**

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (A-IFRS), other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Financial Management Act 1994.
- (b) **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.
- (c) **Rounding**

All amounts shown in the financial statements are expressed to the nearest dollar.
- (d) **Fixed Assets and Depreciation**

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

 - Office Equipment items are being depreciated at 30% Diminishing Value.
 - Office Furniture is being depreciated at 25% Diminishing Value.
- (e) **Revenue Recognition**

Revenue is recognised in accordance with AASB 118. 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.
- (f) **Levies**

Income from levies is recognised on receipt.
- (g) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Goods and Services Tax (GST) (continued)

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

(h) Change in Accounting Policy

In the 2006 financial year, voluntary levies collected (\$226,426) and voluntary levies paid (\$226,238) were recorded as income and expenditure. In the 2007 year, only the net amount payable or receivable at year end is recorded in the accounts.

	2007	2006
	\$	\$

NOTE 2: LEVY INCOME

Compulsory Levy	345,654	449,253
Voluntary levy	-	224,626
	345,654	673,879

NOTE 3: AUDIT FEES

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

	2,600	2,600
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NOTE 4: DEPRECIATION

Office Equipment	28	40
Office Furniture	17	23
	45	63

NOTE 5: PROJECT EXPENDITURE

Annual Regional Crop Forecasting	-	3,300
Grapevine & Australian Viticulture	55,967	54,888
Grower Groups	15,033	-
Grower Services Officer	62,151	-
Grower Survey	-	12,892
Grower Workshops	-	11,385
Improving Grape Sale Prospects	8,604	-
Industry Development Officer	65,787	73,480
Market Information & Statistics	45,860	50,746
National Viticulture Input	65,502	61,133
Nutrition Scoping	27,825	-
Production of Spray Diary	6,825	-
Pruning Advice	-	5,114

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2007**

	2007	2006
	\$	\$
NOTE 5: PROJECT EXPENDITURE (Continued)		
Reducing Powdery Mildew	-	5,115
Regional Wine Shows	5,060	4,400
Site Development - VAMVVIA	10,000	10,000
Soil Health	20,045	-
Vineyard Mapping	-	15,450
	<u>388,659</u>	<u>307,903</u>
NOTE 6: OTHER EXPENSES		
Accountancy Fees	7,605	6,430
Advertising	999	1,156
Annual Report Expenses	13,122	8,485
Audit Fees (Wineries)	360	4,089
Bank Charges	489	803
Committee Allowance & Travel	11,951	13,100
Honorarium	8,300	8,300
Insurance	2,092	2,115
Petty Cash	182	93
Printing, Postage & Stationery	2,168	3,866
Secretarial	22,174	19,000
Strategic Plan Development	-	6,995
Website Maintenance	2,665	930
	<u>72,107</u>	<u>75,362</u>
NOTE 7: RECEIVABLES (CURRENT)		
GST Receivable	<u>9,964</u>	<u>6,410</u>
NOTE 8 (a): PROPERTY, PLANT & EQUIPMENT		
Office Furniture at Cost	1,219	1,219
Less: Accumulated Depreciation	<u>(1,184)</u>	<u>(1,167)</u>
	35	52
Office Equipment at Cost	5,250	5,250
Less: Accumulated Depreciation	<u>(5,169)</u>	<u>(5,141)</u>
	81	109
Total Property, Plant and Equipment	<u>116</u>	<u>161</u>

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 8 (b): MOVEMENT IN ASSETS

	Office Furniture \$	Office Equipment \$	Total \$
Balance at the beginning of year	69	92	161
Depreciation	(17)	(28)	(45)
Balance at the end of the year	<u>52</u>	<u>64</u>	<u>116</u>
		2007	2006
		\$	\$

NOTE 9: PAYABLES (CURRENT)

Trade Creditors	2,267	2,566
Audit Fees Accrued	2,600	2,600
Accounting Fees Accrued	2,015	1,900
Levies Payable	2,125	-
	<u>9,007</u>	<u>7,066</u>

The levies payable are the result of annual collection of \$172,863 and annual payment of \$170,738.

NOTE 10: EQUITY

(a) Contributed Capital

Balance at beginning of Reporting Period	36,311	36,311
<i>Balance at end of reporting period</i>	<u>36,311</u>	<u>36,311</u>

(b) Retained Earnings

Retained Surplus at the beginning of the reporting period	163,689	85,855
Net Surplus for the year	(103,432)	77,834
<i>Retained Surplus at the end of the reporting period</i>	<u>60,257</u>	<u>163,689</u>

(c) Equity

Total Equity at the Beginning of the Reporting Period	200,000	122,166
Total Changes in Equity Recognised in the Operating Statement	(103,432)	77,834
<i>Total Equity at the Reporting Date</i>	<u>96,568</u>	<u>200,000</u>

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2007**

	2007	2006
	\$	\$
NOTE 11: RECONCILIATION OF CASH AND CASH EQUIVALENTS		
For the purpose of the Cash Flow Statement, cash includes cash and cash equivalents, net of outstanding bank overdrafts.		
Cash at the end of the year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
<i>Cash and cash equivalents</i>		
- Cheque Account	14,195	27,289
- Cash Management Account	81,300	173,206
	95,495	200,495
NOTE 12: RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING RESULT		
Profit/(loss) for the year	(103,432)	77,834
<i>Non Cashflows in Operating Result</i>		
Depreciation	45	63
<i>Changes in Assets & Liabilities</i>		
(Increase)/Decrease in Receivables	(3,554)	1,180
Increase/(Decrease) in Payables	1,941	(3,964)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	(105,000)	75,113

NOTE 13: CONTINGENT LIABILITIES

As at 30 June 2007, 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 2007, the Committee is unaware of any commitments which have not already been recorded in this financial report.

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 15: RESPONSIBLE PERSONS RELATED PARTY DISCLOSURES

(a) Responsible persons		
	CAMERON, The Honourable Bob	Responsible Minister - Victoria (to December 2006)
	HELPER, The Honourable Joe	Responsible Minister - Victoria (from December 2006)
	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.

	2007	2006
	\$	\$
(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 parties	Nil	Nil
(e) Other receivables from and payables 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 2007

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 amount is no longer probable.	Credit sales are on 30 day terms.
ii) Financial Liabilities Trade Creditors & 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.

(b) Interest Rate Risk

	Floating Interest Rate		Non Interest Bearing		Total Carrying amounts as per the Balance Sheet		Weighted Average Effective Interest	
	2007	2006	2007	2006	2007	2006	2007	2006
(i) Financial Assets								
Cash	\$ 95,495	\$ 200,495	\$ -	\$ -	\$ 95,495	\$ 200,495	5.65	4.67
Receivables - Trade	-	-	9,964	6,410	9,964	6,410	N/A	N/A
Total Financial Assets	95,495	200,495	9,964	6,410	105,459	206,905		
(ii) Financial Liabilities								
Trade Creditors & Accruals	-	-	6,882	7,066	6,882	7,066		
Total Financial Liabilities	-	-	6,882	7,066	6,882	7,066		

**MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2007**

(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 for doubtful debts, as disclosed in the Balance Sheet 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

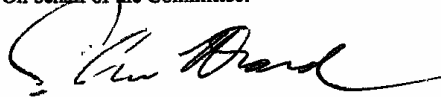
CERTIFICATION

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

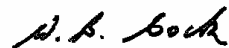
- i) Certify that in our opinion the accompanying financial statements comprising Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Accounts, present fairly the financial transactions during the year ended 30 June 2007 and the financial position 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 21st day of September 2007.

On behalf of the Committee:



John Ward
Chairperson of the Committee



Barry Cock
Deputy Chairperson of the Committee

AUDITORS REPORT

VAGO

Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

MURRAY VALLEY WINE GRAPE INDUSTRY DEVELOPMENT COMMITTEE

To the Members of the Parliament of Victoria and Members of the Board of the Murray Valley Wine Grape Industry Development Committee

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report for the financial year ended 30 June 2007 relates to the financial report of Murray Valley Wine Grape Industry Development Committee included on its web site. The Members of the Board of Murray Valley Wine Grape Industry Development Committee are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

The Financial Report

The accompanying financial report for the year ended 30 June 2007 of Murray Valley Wine Grape Industry Development Committee which comprises Operating Statement, Balance Sheet, Statements of Changes in Equity, Cash Flow Statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the attached certification has been audited.

The Responsibility of the Members of the Board for the Financial Report

The Members of the Board of the Murray Valley Wine Grape Industry Development Committee are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the Board Members' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Murray Valley Wine Grape Industry Development Committee's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

Level 24, 35 Collins Street, Melbourne Vic. 3000

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Auditing in the Public Interest

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

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

Independence

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

Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of Murray Valley Wine Grape Industry Development Committee as at 30 June 2007 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.



MELBOURNE
21/09/2007

Mulqueen Griffin Rogers Pty Ltd
Delegate of D.D.R. PEARSON
Auditor-General

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Auditing in the Public Interest

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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