

Clare Valley Wine &  
Grape Association

CLARE  
VALLEY

# ANNUAL REPORT

Published November 2022

## REPORTING PERIOD

November 2021 to November 2022

**Anna Baum**

Executive Officer

## From the Chairman & Executive Officer

In the past year, the grape and wine industry has been met with challenges on several fronts, navigating the COVID-19 pandemic, global politics, and trade, rising costs, labour shortages and seasonal supply pressures.

The Clare Valley Wine & Grape Association (CVWGA) has worked to support its members during this period, adding value by driving a collaborative approach to marketing Clare Valley wine and developing a brand story that can unify the regional voice, creating regional programs that subsidise business costs for members, defining goals for sustainability and water security, and developing our next generation of industry participants and emerging leaders.

At the 2021 AGM, members endorsed changes to the constitution to include formal recognition of the new associate food membership, to provide flexibility around the composition of the board and the chairman's role, and to remove distinctions between grape growers and winemakers and the complexities applying to the election of committees.

This year the CVWGA Board has reviewed its strategy, refining the association's direction for the next three years. It reaffirmed its purpose and vision, expanded the values, and simplified its strategic agenda to align to three strategic pillars – Promotion, Sustainability, and Innovation & Education. The performance of the association can now be measured against these three key priorities and more detailed business planning will be carried out in 2023.

In 2022, the association delivered on two major objectives of the 2019 Strategic Plan Horizon Update – a marketing plan that communicates a clear, compelling, and singular story about Clare Valley Wine and a study into water supply and delivery options to provide security for Clare Valley water users. The 2022-2025 Marketing Plan, delivered by littlelion, provides strategic direction, outlines the brand story, and includes an action plan to guide marketing activity for the next three years.

The CVWGA partnered with the State Government in 2021, to secure Commonwealth funding for a preliminary business case. Kellogg Brown & Root Pty Ltd was engaged by PIRSA in February 2022 to develop the Clare Valley Water Preliminary Business Case (PBC). The PBC assessed demand for additional water and provided high-level engineering and a benefit cost analysis of preferred options. The State Government received the PBC in November 2022 for consideration of whether to proceed to a detailed business case.

Quality was consistently high across both red and white varieties in 2022, a vintage which also recorded strong yields. The reported crush of Clare Valley wine grapes was 26,194 tonnes, up by 32 per cent on the 2021 crush of 14,427 tonnes and 33 per cent above the 5-year average of 19,675 tonnes (2017–2021). It was the second largest crush in the past 10-year period.

The total estimated value of wine grapes in 2022 was just over \$43 million compared with \$31 million in 2021 (an increase of 39 per cent). The higher production was enhanced by a 9 per cent increase in the average purchase value of grapes, which increased from \$1502 in 2021 to \$1633 per tonne.

Emerging from Covid restrictions and disruptions, the association increased its activity in 2022 with a social media activation of Gourmet Week, the launch of a regional leadership program, subsidised wine education training and sustainability certification in region, and development of a marketing plan and a calendar of activities, including a unique Riesling tasting of 2002, 2012 and 2022, celebrating the 21<sup>st</sup> birthday of the screwcap revolution. Activities for the past year are discussed in detail in the following report.

A change of government was followed by visits to the region by Minister for Primary Industries and Regional Development Clare Scriven MLC and Deputy Premier and Minister for Climate, Environment

and Water Susan Close MP, both of whom took time to meet with representatives of CVWGA to discuss water security, sustainability, and issues of concern such as damage to vineyards caused by wide-spread spray drift related to temperature inversions. Minister for Tourism Zoe Bettison MP held a round table in the region where the lack of five-star accommodation was raised with her.

CVWGA made a submission to the South Australian Government's review of the Container Deposit Scheme, on behalf of its members, outlining the detrimental impact on the wine sector if the scheme were to be expanded to include glass wine bottles and requesting that the exemption of glass wine bottles continue.

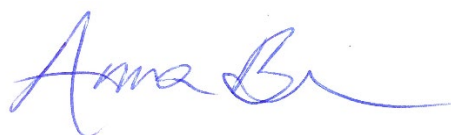
Clare Valley was well represented at a peak industry forum on chemical trespass, hosted by Primary Producers SA, which brought commodity groups together to discuss a campaign to address the ongoing issue of chemical trespass across all agricultural sectors due to spray drift. This forum was called following a high incidence of spray drift in the Mid North in the 2021/22 growing season which caused wide-spread damage to young vines in the Clare Valley, and it is feared that the 2022/23 season will be even worse.

Improving engagement with our members will continue to be a priority in 2023. Ensuring our Winemaker, Grape Grower and Food Committees are acting as member advisory panels to inform the board of priorities for association spending and activity will be key outcome. Management will be working as a priority on an engagement plan for 2023 to ensure that members are involved in developing priorities and activities for the 2023/24 financial year. This will be supported by the development of a new role, a Grower Engagement and Education Officer, which will be introduced in the new year as a contract position for the remainder of FY2022/23.

We thank the Board of CVWGA for their strategic oversight and counsel throughout the past year and the CVWGA team who are proud to deliver outcomes which members value. It is with a sense of responsibility and accountability to growers, winemakers, and our associate food members that we proudly report on the activities of the past year, close out of 2021/22 and embrace the remainder of 2022/23.



Hon Martin Ferguson AM  
Chairman



Anna Baum  
Executive Officer

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## Overview: About the organisation

### Our strategic focus

#### Our Purpose:

To ensure the prosperity and sustainability of our member businesses and the Clare Valley Community.

We exist to promote the interests of our members, unify them, and manage collective opportunities for the betterment of the whole.

#### Our Vision:

Clare Valley Wines, widely known, selling strongly and profitably, growing in reputation for their quality across multiple varieties.

We want the world to know about the breadth and calibre of Clare Valley Wine, about the vibrancy and offerings of the Clare Valley Region, resulting in sustained profitable growth of Clare Valley Wine & Grape Businesses.

#### Our Values:

Our values drive how we behave and deliver benefits to our members:

##### Collaboration

We work together as interdependent partners on our value chain, stronger when we think and interact as a team

##### Decisive leadership

We make informed decisions, act on them promptly, and communicate transparently for the benefit of our members

##### Quality

From our grapes to our wine to the experiences we enable and the support we provide, our priority is quality

##### Continuous Improvement

We continually seek out and develop better ways of doing the best things

##### Sustainability

We are committed to the long-term health and prosperity of our members, our industry, and our environment

##### Community

We are leaders, active participants, and positive contributors to the wider Clare Valley community

##### Learning

We are lifelong learners, committed to building the current and future capabilities of our industry participants, and presenting our industry as a compelling career opportunity for the next generations

## Clare Valley Wine & Grape Association's Strategic Agenda

### Promotion

- Lead a regional call to action to lift perceptions and strengthen the reputation of Clare Valley offerings (inside & outside the Valley)
- Advocate and lobby for member and wider region's needs, conveying a regional view with a unified voice.
- Facilitate & support collaborative projects to enhance the region
- Build brand awareness of a unifying Clare Valley wine brand story through consistent positioning and messaging
- A clear understanding of the target markets for Clare Valley visitation and wine sales, with aligned approaches developed & delivered

### Sustainability

- Grow a sustainable future, nurturing our people, profit, and the planet
- Support our members to increase biodiversity, reduce their carbon footprint and mitigate climate change.

- Promote business sustainability through strong value-chain principles.
- Effectively advocate for our grape grower and winemaking members on matters that threaten or challenge their business sustainability. e.g. chemical trespass
- Support our members on their Sustainable Wine Australia (SWA) journey through education
- Advocate for a sustainable water security solution for the Clare Valley, {representing our members' views for the best possible outcome}
- Define the desired future state of Clare Valley, and determine what will be needed to underpin sustainable growth of our industry

### **Innovation & Education**

- Facilitate opportunities to inspire and support the next wave of industry leaders and new entrants into the industry
- Increase levels of education (technical and business) across the region to enhance future leadership capability and engagement
- Improve the ability of our members to innovate within their businesses.
- Connect members with educational opportunities, promoting a Valley-wide culture of lifelong learning

### **Our organisational structure**

#### **Management**

Clare Valley Wine & Grape Association (CVWGA) is an incorporated association with three employees. CVWGA has a mix of full-time and part-time staff, currently with 2 full time equivalents.

#### **Organisational chart**

CVWGA's organisational structure is simply an Executive Officer (EO) with 2 direct reports, Belinda Heinrich, Marketing and Events Coordinator, and Jordan Martin, Communications and Administration Officer

The Executive Officer reports to the Board of Clare Valley Wine & Grape Association.



#### **Board**

According to the Association Rules.... The board comprises of a Chairman, up to six ordinary board members, and up to two independent board members. The association also has three committees to represent each of Grape Grower interests, Winemaker interests and Food and Hospitality Business interests respectively, and such sub-committees and working groups as the Board or Committees may from time to time decide to establish in the interests of the Association.

#### **Board Members**

Current board members are:

Hon Martin Ferguson AM, Chairman	(appointed December 2021)
Ali Paulett, ordinary board member	(appointed November 2020)
Grant Carr, ordinary board member	(appointed November 2020)
Penny Lion, ordinary board member	(appointed October 2021)
Hilary Mitchell, ordinary board member	(appointed October 2021)
Annette Hovey, independent board member	(appointed June 2022)

## Objects of the association

The objects of the Association are:

1. to promote and enhance the Clare Valley region, its brand, wine, viticulture, food and hospitality;
2. to improve the profitability of Clare Valley wine and grape businesses;
3. to engage with other regional, state and national organisations, including governments, where it serves the direct objects of the Association;
4. developing and encouraging continuous improvement strategies which leads to sustainable best practice management of vineyard and winemaking enterprises;
5. encouraging collaborative enterprise and effective communication among Members and stakeholders, including tourism operators;
6. undertaking or facilitating research and development;
7. optimizing the proceeds of The Fund and other resources to achieve the objects.

## The Organisation's performance

Performance at a glance:

### Strategic Pillar 1. – Promotion

- Gourmet Week build on its new 10-format, activating a launch party, increasing social media campaigns, and introducing brand ambassadors in the lead up to the event. SCA television campaign extended for the first time into Victoria. The printed brochure was replaced by online activation through a dedicated website. Event evaluation recorded more than 19,000 total attendances over 10 days with more than 8,500 individuals attending. The event generated a total direct and incremental expenditure for the Clare Valley of \$2,327,496.
- A CVWGA Marketing Plan has been developed by marketing consultants littlelion, in consultation with members, to guide marketing and promotional activity for the next three years. A three-year action plan which accompanies the marketing strategy will provide a framework for developing annual activity plans.
- Turning Point, a Clare Valley Riesling Celebration – a series of tastings of 2002, 2012 and 2022 Clare Valley Riesling were held in Clare Valley, Melbourne, and Sydney in October. The foresight of the 14 producers, who led the 2000 screw cap revolution, to lay down wines from the 2002 and 2012 vintages has provided proof that wines age beautifully under screw cap. The tastings involved 7 of the original cohort of producers and attracted leading wine writers and trade from around the country. The tastings generated 21 leads for product placement and 10 new media connections. Overall participant satisfaction of event alignment to the Clare Valley wine brand story was 95%.
- Endeavour Group Clare Valley Wine Show celebrated the return of an international judge and the region joining together for the presentation lunch at the new St Joseph's Auditorium. Wine show entries were back to pre-Covid numbers, and the show results included a total of 302 medals awarded, including 52 golds.

### Strategic Pillar 2 – Sustainability

- A desire to increase the region's sustainability credentials has led to the development of a support program to increase the adoption of Sustainable Wine Growing Australia in the region. The region has responded to the SWA membership challenge to reach a regional goal of 40 SWA members, 20 certified with 20 business signing up for membership, bringing the total membership to 32 and with 23 businesses undertaking the subsidised certification training.
- Last year, CVWGA played an integral role in attracting funding for further investigation into water supply and delivery options to provide security for existing and new Clare Valley water users. Kellogg, Brown and Root (KBR) was engaged to develop a preliminary business case

(PBC). This PBC was delivered to Government recently for consideration as to whether it should go to a detailed business case.

### Strategic Pillar 3. – Education and Innovation

- Next Crop Leadership Program is a regional program supported by Wine Australia. The Clare Valley was one of two regions nationally to deliver the program in 2022. The content was designed by CVWGA, facilitated locally, and covers a broad range of topics to develop leaders in our industry organisations and member businesses. The outcome is a motivated cohort of twenty-one emerging leaders ready to step up.
- Offering wine education regionally for cellar door and sales staff was fully subscribed by our member businesses with 30 participants graduating from the WSET Level 2 courses held in the Clare Valley this year.

### Strategic Pillar 1 - Promotion

Association objectives	Indicators	Performance
Clare Valley wines and food widely known, selling strongly and profitably, growing in reputation for its quality	Lead a regional call to action to lift perceptions and strengthen the reputation of Clare Valley offerings (inside & outside the Valley)	<ul style="list-style-type: none"> <li>• Proposal to create a key messaging document and toolkit for members in 2023</li> <li>• Hosted wine media (Halliday Wine Compendium and Decanter Magazine) in region to review Clare Valley wines and raise awareness of the region to interstate and international audiences</li> <li>• Invited German -based British wine critic, and Riesling expert, Stuart Pigott to judge at the 2022 Clare Valley Wine Show</li> </ul>
	Advocate and lobby for member and wider region's needs, conveying a regional view with a unified voice.	<ul style="list-style-type: none"> <li>• Provide submission to State Government raising concerns about proposed changes to include wine bottles in the SA Container Deposit Scheme.</li> <li>• Facilitating collective arrangement for wine delivery to reduce operating costs for members</li> </ul>
	Facilitate & support collaborative projects to enhance the region	<ul style="list-style-type: none"> <li>• Collaborated with SATC Clare Valley marketing initiative for influencer marketing campaign to promote 2022 Gourmet Week.</li> <li>• Collaborating with CGVC to activate the Clare main street for 2023 Gourmet Week.</li> <li>• Increases in sponsorship for all events in the past year.</li> </ul>
	Build brand awareness of a unifying Clare Valley wine brand story through consistent positioning and messaging	<ul style="list-style-type: none"> <li>• A virtual tasting was held with UK media and trade 'Uncovering Clare Valley Cabernet Sauvignon' where Clare Valley Cabernet Sauvignons, one of three varieties in the Clare Valley trilogy, stood</li> </ul>



		<p>up and stood out against wines from Napa Valley and Bordeaux.</p> <ul style="list-style-type: none"> <li>• CVWGA developed a marketing plan, released in September, which introduces a brand story with four narratives sung in three parts.</li> <li>• Turning Point, A Clare Valley Riesling Celebration was a series of tastings celebrating 21 years of the screw cap revolution. The original producers involved shared 2002, 2012 and 2022 Rieslings with trade and media in Clare Valley, Melbourne, and Sydney, proving that Riesling ages well with a screw cap closure.</li> <li>• Social media calendar currently being developed for 2023</li> <li>• Quarterly consumer newsletter will be published in 2023</li> <li>• Production of updated cellar door map in January 2023</li> <li>• 'Drink &amp; Eat Clare Valley' listings advertised in visitor guide</li> </ul>
	A clear understanding of the target markets for Clare Valley visitation and wine sales, with aligned approaches developed & delivered	<ul style="list-style-type: none"> <li>• Support for our members attending Cellar Door Fest and Good Food and Wine Expos.</li> <li>• Clare Valley pitch to Country Style magazine in progress</li> </ul>

## Strategic Pillar 2 - Sustainability

Association objectives	Indicators	Performance
A sustainable future, nurturing our people, profit and the planet	Support our members to increase biodiversity, reduce their carbon footprint and mitigate climate change.	<ul style="list-style-type: none"> <li>• Regional partners 2022-2025 for National EcoVineyards Program, annual sponsorship, introduction of 4 new EcoGrowers.</li> <li>• EcoVineyards regional launch and soil health seminar, 22 attendees,</li> <li>• Mid-row management trial comparing permanent fescue and medic swards with a traditional cover crop (final year)</li> <li>• Carbon accounting workshop, exploring emissions reduction, February 2022</li> </ul>

		<ul style="list-style-type: none"> <li>Support the Northern &amp; Yorke Landscape Board Wildlife for Wine program, on-ground works for 6 growers</li> </ul>
	Promote business sustainability through strong value-chain principles.	<ul style="list-style-type: none"> <li>Business management, succession, and value chain sessions included in the Next Crop Leadership Program</li> </ul>
	Effectively advocate for our grape grower and winemaking members on matters that threaten or challenge their business sustainability. e.g. chemical trespass	<ul style="list-style-type: none"> <li>Advocacy to government, cross-commodity, and grains industry organisations on the impact on grape vines of spray drift caused by temperature inversion.</li> <li>Annual baseline chemical residue testing</li> <li>Annual sponsorship of Mid North Mesonet</li> <li></li> </ul>
	Support our members on their Sustainable Wine Australia (SWA) journey through education	<ul style="list-style-type: none"> <li>Initiated a support program for adoption of Sustainable Winegrowing Australia by Clare Valley wineries and growers.</li> <li>A membership challenge to reach a regional target of 40 SWA members and 20 certified by vintage 2024.</li> <li>Held a SWA certification training day in the Clare Valley, attended by 30 people.</li> <li>35 people received a subsidy on certification training</li> <li>Annual support program in development</li> </ul>
	Advocate for a sustainable water security solution for the Clare Valley, (representing our members' views for the best possible outcome)	<ul style="list-style-type: none"> <li>Industry and regional partner in the Clare Valley Water preliminary business case, led by PIRSA and delivered by advisors KBR</li> <li>Regular communication with SA Water on matters pertaining to the Clare Valley Water Supply Scheme</li> <li>Currently establishing a framework for advocacy to ensure a representative position on water security is championed for members</li> </ul>
	Define the desired future state of Clare Valley, and determine what will be needed to underpin sustainable growth of our industry	<ul style="list-style-type: none"> <li>In 2023, CVWGA plans to develop a long-term sustainability plan for Clare Valley grapes and wine, that is informed by members and has considered and been shaped around the most likely future state scenarios for the region.</li> </ul>

### Strategic Pillar 3: Innovation and Education

Association objectives	Indicators	Performance
Foster innovation and education across the region to create a culture of life-long learning	Facilitate opportunities to inspire and support and new entrants into the industry	<ul style="list-style-type: none"> <li>Entered a CVWGA stand at the Clare high School Careers Day</li> <li>Hosted a Excited for Careers in Ag viticulture pilot program involving three schools, three vineyard/winery visits and an industry networking session.</li> </ul>
	Increase levels of education (technical and business) across the region to enhance future leadership capability and engagement	<ul style="list-style-type: none"> <li>Secured Wine Australia funding and delivered the Next Crop Leadership Program, a regional leadership program for 21 participants.</li> <li>Run an annual benchmark tasting for members. 45 attendees. Cabernet Sauvignon in November 2021, Riesling in November 2022.</li> </ul>
	Improve the ability of our members to innovate within their businesses and improve quality.	<ul style="list-style-type: none"> <li>'Clare Valley Vitiwatch' crop watch service provides disease and seasonal updates for members, 5-6 bulletins per season</li> <li>Simonit &amp; Sirch soft pruning field trip to Barossa – 25 attendees, October 2022</li> <li>Spray application workshop for members, 17 November 2022.</li> </ul>
	Connect members with educational opportunities, promoting a Valley-wide culture of lifelong learning	<ul style="list-style-type: none"> <li>Subsidised two WSET Level 2 wine education courses in the region, 30 participants in total. May- August 2022.</li> <li>Hosted the SA Pruning Championships, June 2022</li> </ul>

### Financial Performance

#### Income Summary

#### Grant funding (received for projects carried out from November 2021):

SATC Event Funding	Gourmet Week	\$20,000
Wine Australia	Next Crop Leadership Program	\$45,000
DTI Grant	UK Virtual tastings	\$21,740
Project 250 Grants (SAWIA)	Marketing plan	\$10,000
	WSET Level 2 Courses	\$20,000
	Riesling trade events Clare Valley, Melbourne, Sydney	\$25,000
Northern & Yorke Landscape Board funding	SWA support program	\$9995
	Deer control (on behalf of Deer Control Group)	\$6000
<b>Total</b>		<b>\$157 735</b>

#### Sponsorship (received for projects carried out from November 2021):

SCA & CGVC	Gourmet Week	\$65,000 (in-kind)
Various (Endeavour Group, 2 gold, 3 silver, 11 bronze, 8 partner)	Wine Show	\$45,700
		\$27,686 (in-kind)

Orora	Riesling trade events: Clare Valley, Melbourne, Sydney	\$5,500
TWE	Sustainable Winegrowing Australia support program	\$2,500
Techgrow Various	SA Pruning Championships	\$2000 \$10,000 (in kind)
<b>Cash Total</b>		<b>\$55 700</b>
<b>In-Kind Total</b>		<b>\$102 686</b>

#### Membership Income:

Funding request 2022	\$270,000
Association Food Membership subscription	\$4,500
<b>Total</b>	<b>\$274500</b>

#### Financial performance at a glance

The following is a summary of the overall financial position of Clare Valley Wine & Grape Association (CVWGA). The information below is from the full audited financial statements for 2021-22 which are attached (Appendix A) to this report. Total income for CVWGA in 2021-22 was \$503,170, up 38% from 2020/21, driven by a 160% increase in wine industry fund income. Event income also increased mainly due to income generated from the wine show and Gourmet Week. Expenditure increased by 40% as compared to 2020-21, yielding an overall deficit position of \$11,937 for 2021-22. This resulted in a 7% decrease in total equity of CVWGA from \$1,84,175 in 2020-21 to \$172,238 in 2021-22. It is important to note that the equity of the Clare Valley Wine Industry Fund for 2020-21 was \$398,497. This is up from \$200,861 in 2019-20 and is expected to be retained in 2021-22. The Clare Valley Wine Industry Fund Annual Report can be found on the PIRSA website. CVWGA has assets worth \$256,023 in 2021-22, an increase of 22% as compared to 2020-21, and is made up primarily of cash and cash equivalents \$187,321 and \$60,898 in receivables (the largest portion of which is associated with grant income payments). Liabilities as of 30 June 2022 total \$83,785 being current payables, unearned revenue associated with grant funding, and employee provisions.

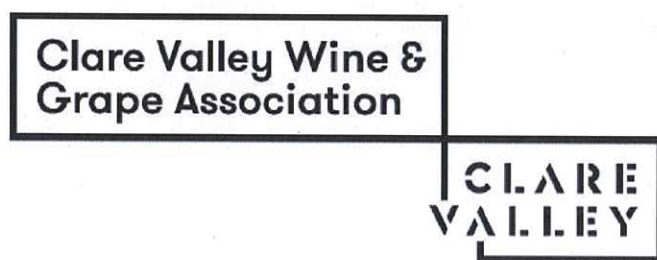
Statement of Comprehensive Income	2021-22 Budget (\$)	2021-22 Actual (\$)	Variation (\$)	2020-21 Actual (\$)
Total Income	554,950	503,170	-51,780	365,178
Total Expenses	593,576	515,107	-78,469	366,962
<b>Net Result</b>	<b>-38,626</b>	<b>-11,937</b>	<b>26,689</b>	<b>-1,784</b>

Statement of Financial Position	2021-22 Actual (\$)	2020-21 Actual (\$)
Current assets	248,219	208,990
Non-current assets	7,804	1,602
<b>Total assets</b>	<b>256,023</b>	<b>210,592</b>
Current liabilities	83,785	26,417
Non-current liabilities	0	0
<b>Total liabilities</b>	<b>83,785</b>	<b>26,417</b>
<b>Net assets</b>	<b>172,238</b>	<b>184,175</b>
<b>Equity</b>	<b>172,238</b>	<b>184,175</b>

#### Risk management

The Board keeps a register of risks which is reviewed on a regular basis and updated as required.

**Clare Valley Wine & Grape Association**  
**Financial Report for the Year Ended 30 June 2022**



## Clare Valley Wine & Grape Association Inc

### BOARD REPORT

Your Board members submit the financial report of Clare Valley Wine & Grape Association Incorporated (**the Association**) for the financial year ended 30 June 2022.

#### Board Members

The names of Board members throughout the year and at the date of this report are:

Hon. Martin Ferguson AM (chair)	Alister Sandow (resigned October 2021)
Peter Rogge (resigned October 2021)	Olivia Hoffmann-Barry (resigned October 2021)
Ali Paulett	Bianca Jennings (resigned October 2021)
Grant Carr	Wayne Butcher (resigned June 2022)
Penny Lion (appointed October 2021)	Hilary Mitchell (appointed October 2021)
Annette Hovey (appointed June 2022)	

#### Principal Activities

The principal activities of the Association during the financial year included:

- promoting and enhancing the Clare Valley region, its brand, wine and viticulture;
- support to improving the profitability of Clare Valley wine and grape businesses; and
- encouraging collaborative enterprise and effective communication among Members and stakeholders, including tourism and food producers.

#### Significant Changes

No significant change in the nature of the principal activities previously undertaken by the Association occurred during the year.

#### Operating Result

The deficit for the 2022 financial year amounted to \$11,937 (2021: Deficit of \$1,783).

Signed in accordance with a resolution of the members of the Board.



Name/Position:

Martin Ferguson,  
CHAIRMAN

Name/Position:

Dated this 29 day of 9. 2022

**Clare Valley Wine & Grape Association Inc**  
**STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022	2021
		\$	\$
<b>Income</b>			
Primary industry levy		200,000	75,164
Grant income	2	106,790	98,774
Event income		188,070	145,189
Government stimulus		-	25,380
Food memberships		4,091	6,434
Other		4,220	14,238
		<u>503,170</u>	<u>365,178</u>
<b>Expenditure</b>			
Employee related costs		(152,255)	(99,220)
Grant expenditure		(112,023)	(105,069)
Depreciation and amortisation expenses		(1,537)	(829)
Advertising and promotion expenses		(6,483)	(6,293)
Contractor costs		(13,000)	-
Event costs		(150,632)	(104,859)
Other operating costs		(79,176)	(50,692)
		<u>(515,107)</u>	<u>(366,962)</u>
<b>Net current year surplus / (deficit)</b>		<u>(11,937)</u>	<u>(1,783)</u>
Net current year surplus / (deficit) attributable to members of the Association		<u>(11,937)</u>	<u>(1,783)</u>

The accompanying notes form part of these financial statements.

# Clare Valley Wine & Grape Association Inc

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022	2021
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on hand	3	187,321	192,097
Accounts receivable and other debtors	4	60,898	9,633
Other current assets	5	-	7,260
<b>TOTAL CURRENT ASSETS</b>		<b>248,219</b>	<b>208,990</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	7,804	1,602
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,804</b>	<b>1,602</b>
<b>TOTAL ASSETS</b>		<b>256,023</b>	<b>210,592</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	39,775	2,791
Unearned revenue	8	36,000	21,740
Employee provisions	9	8,010	1,886
<b>TOTAL CURRENT LIABILITIES</b>		<b>83,785</b>	<b>26,417</b>
<b>TOTAL LIABILITIES</b>		<b>83,785</b>	<b>26,417</b>
<b>NET ASSETS</b>		<b>172,238</b>	<b>184,175</b>
<b>EQUITY</b>			
Equity contributed	10	111,673	111,673
Retained surplus		60,565	72,502
<b>TOTAL EQUITY</b>		<b>172,238</b>	<b>184,175</b>

The accompanying notes form part of these financial statements.



**Clare Valley Wine & Grape Association Inc**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022**

		Contributions	Retained Earnings	Total
	Note	\$	\$	\$
<b>Balance at 1 July 2020</b>		154,415	74,285	228,700
Equity Contributed	10	20,502	-	20,502
Bottled Wine Asset Adjustment	5	(63,244)	-	(63,244)
Net surplus / (deficit) for the year		-	(1,783)	(1,783)
<b>Balance at 30 June 2021</b>		111,673	72,502	184,175
Net surplus / (deficit) for the year		-	(11,937)	(11,937)
<b>Balance at 30 June 2022</b>		111,673	60,565	172,238

The accompanying notes form part of these financial statements.

**Clare Valley Wine & Grape Association Inc**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Levy received		200,000	75,164
Grants received		91,050	98,774
Other receipts		182,354	155,916
Payments to suppliers and employees		(470,460)	(372,011)
Net cash provided by / (used in) operating activities	14	2,944	(42,158)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(7,741)	-
Net cash used in investing activities		(7,741)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Contribution by Clare Valley Cuisine	10	-	20,502
Net cash used in financing activities		-	20,502
Net increase / (decrease) in cash held		(4,797)	(21,656)
Cash on hand at beginning of financial year		192,097	213,753
Cash on hand at end of financial year		187,300	192,097

The accompanying notes form part of these financial statements.

# Clare Valley Wine & Grape Association Inc

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act (SA) 1985*. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The Board has determined that the Association is not a reporting entity. In the opinion of the Board, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs.

The financial report has been prepared in accordance with the significant accounting policies disclosed below, which the Board has determined are appropriate to meet the needs of members. The financial report complies with the recognition and measurement criteria of Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### Accounting Policies

##### a. Property, Plant and Equipment

###### Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(b) for details of impairment).

###### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture and fittings	10%
Office equipment	33%

Gains and losses on disposals are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

##### b. Impairment of Assets

At the end of each reporting period, the Association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

##### c. Employee Provisions

Provision is made for the Association's obligation for employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, annual leave and long service leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association does not recognise a long service leave provision until an employee reaches at least five years' service. The Association has no employee with at least five years' services; accordingly, no long service leave provision has been recognised by the Association.

## Clare Valley Wine & Grape Association Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. **Cash on Hand**

Cash on hand includes cash on hand and deposits held at call with banks.

e. **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from customers for goods sold and services provided in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

f. **Revenue and Other Income**

Non-reciprocal grant revenue is recognised profit or loss when the Association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the Association is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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

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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a net basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable, to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

h. **Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

i. **Provisions**

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j. **Income Tax**

The Association is exempt from income tax.



**Clare Valley Wine & Grape Association Inc**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

**NOTE 2: GRANT INCOME**

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		\$	\$
Grant income:			
- Wine Australia Grant		27,600	45,050
- Water Feasibility Grants		-	50,000
- Department of Trade and Innovation – Virtual Wine Tasting		21,740	3,724
- South Australian Wine Industry Association		57,450	-
		106,790	98,774

**NOTE 3: CASH AND CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
	\$	\$
Operating Account	7,035	4,345
Saver Account	154,196	163,527
Debit Card	2,313	459
Cuisine Bank Account	23,777	23,766
	187,321	192,097

**NOTE 4: ACCOUNTS RECEIVABLE AND OTHER DEBTORS**

	<b>2022</b>	<b>2021</b>
	\$	\$
CURRENT		
Trade debtors	60,487	9,250
Other debtors	412	383
	60,898	9,633

**NOTE 5: OTHER CURRENT ASSETS**

	<b>2022</b>	<b>2021</b>
	\$	\$
Bottled Wine	-	7,260

During the 2020 financial year the Association performed a stocktake and valued bottled wine that had been donated to the Association over the past 20 years. The stocktake identified that the Association had 5,265 of bottled wine relating to numerous labels, which the association valued at \$80,104 at 30 June 2020.

The Association undertook member consultation and performed further analysis of the bottled wine asset during the 2021 financial year and decided that:

- bottled wine that can be used in future promotional activities will be retained by the Association as 'museum wine'; and
- bottled wine that is not able to be used in promotional activities will be sold during the 2022 financial year (eg. where there is only a very small number of bottles of a particular label remaining or the wine is past its expiry date).

The Association decided not to recognise an asset at 30 June 2021 or 30 June 2022 in respect of 'museum' bottled wine and only recognise an asset in respect of wine that the Association plans to sell.

## Clare Valley Wine & Grape Association Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### NOTE 5: OTHER CURRENT ASSETS (CONTINUED)

The Association sold all the bottled wine it could not keep as 'museum' wine during the 2022 financial year. The following table summarises the movement in the bottled wine asset:

	\$
<b>Opening Balance at 30 June 2021</b>	<b>80,104</b>
De-recognition of 'Museum' Bottled Wine	(63,244)
Wine Sold / Used during FY21	(9,600)
<b>Closing Balance at 30 June 2021</b>	<b>7,260</b>
Wine Sold / Used during FY22	(7,260)
<b>Closing Balance at 30 June 2022</b>	<b>-</b>

The de-recognition of 'museum' bottled wine at 30 June 2021 was taken to equity on the basis that it was not a current year adjustment; rather it related to bottled wine that was received by the Association over a period of 20 years.

The Association stores approximately 4,700 bottles of wine that it has classified as 'museum' wine to be used in future promotional activities. No asset has been recognised in the balance sheet of the Association for this 'museum' wine.

#### NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	2022	2021
	\$	\$
<b>Equipment:</b>		
At cost	19,225	11,486
Accumulated depreciation	(14,421)	(9,884)
	<u>7,804</u>	<u>1,602</u>

#### NOTE 7: ACCOUNTS PAYABLE AND OTHER PAYABLES

##### CURRENT

##### Unsecured liabilities:

Accounts payable	41,751	1,953
Net payable to the Australian Tax Office	(1,976)	839
	<u>39,775</u>	<u>2,791</u>

#### NOTE 8: UNEARNED REVENUE

##### CURRENT

##### Unearned grant revenue

- Wine Australia	30,000	-
- Department of Trade and Innovation - Virtual Wine Tasting	-	21,740
- Other grant funding	6,000	-
	<u>36,000</u>	<u>21,740</u>

# Clare Valley Wine & Grape Association Inc

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
NOTE 9: EMPLOYEE PROVISIONS		
CURRENT		
Annual leave entitlements	8,010	1,886

### NOTE 10: EQUITY CONTRIBUTION

The Clare Region Winegrape Growers Association Inc members and the Clare Valley Winemakers Inc voted to amalgamate and form the new Clare Valley Wine & Grape Association in September 2017. The two associations contributed \$154,415 of net assets to the Association at the date of amalgamation.

During the 2020 financial year, the members of the Clare Valley Cuisine Incorporated (CVC) approved the wind down of the CVC's operations and the transfer of the CVC's remaining cash to the Association. On 1 July 2020, the Association took control of the CVC bank account and all CVC members were invited to become non-voting associate members of the Association. The CVC bank account had a balance of \$20,502 on 1 July 2020 and this has been treated as a contribution in the statement of financial position of the Association and has increased the total contributions made to the Association to \$111,673.

### NOTE 11: CONTINGENT LIABILITIES AND COMMITMENTS

The Board is not aware of any contingent liabilities or commitments that require disclosure in the financial report.

### NOTE 12: EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant events since the end of the reporting period.

### NOTE 13: RELATED PARTY TRANSACTIONS

	2022	2021
	\$	\$
<b>Key Management Personnel</b>		
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Association, directly or indirectly, including its committee members, is considered key management personnel.		
Key management personnel compensation including superannuation:		
– Chairman sitting fees	20,000	5,000
– Executive officer	91,200	98,698
	111,200	103,698

### Other Related Parties

The Association paid \$3,000 to Piper Alderman during FY22 in respect of legal fees. Ms Bianca Jennings, who was a board member during part of the 2022 financial year, was a principal of Piper Alderman at the time the service was provided.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

## Clare Valley Wine & Grape Association Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### NOTE 14: CASH FLOW INFORMATION

	2022	2021
	\$	\$
<b>Reconciliation of cash flows from operating activities with net current year surplus</b>		
Net current year surplus / (deficit)	(11,937)	(1,783)
Adjustments for:		
– depreciation expense	1,538	829
 Movements in working capital:		
– (increase)/decrease in accounts receivable and other debtors	(51,286)	29,944
– (increase)/decrease in other assets	7,260	9,600
– increase/(decrease) in accounts payable and other payables	51,244	(78,533)
– Increase/(decrease) in employee provisions	6,124	(2,214)
Net cash generated by operating activities	<u>2,944</u>	<u>(42,158)</u>

#### NOTE 15: ECONOMIC DEPENDENCE

The Primary Industry Funding Schemes Act 1998 (the Act) provides South Australian primary industries with a legislative based ability to raise funds within their sector so they can favourably position themselves in the national and international marketplace.

Section 4 of the Act allows the Governor to make regulations to establish a fund for a particular primary industry sector. All existing funds are administered by the Minister for Primary industries and Regional Development (the Minister). Primary Industries and Regions SA (PIRSA) is the Minister's agent for the administration of these funds.

The Clare Valley Wine Industry Fund was established by the Primary Industry Funding Schemes (Clare Valley Wine Industry Fund) Regulations 2008 (the Regulations).

Grape growers and wine makers in the Clare Valley wine region make contributions to the Clare Valley Wine Industry Fund annually based on quantities of grapes and wine produced.

The Association applies for monies held by PIRSA in the Clare Valley Wine Industry Fund each financial year. The Minister is responsible for approving applications for funds lodged by the Association.

The following table summarises the reported profit and loss and retained earnings of the Clare Valley Wine Industry Fund from FY18 to FY20 (\*the FY21 and FY22 financial statements of the Fund were not published at the date of this report):

	2018	2019	2020
	\$	\$	\$
<b>Income</b>			
Contributions by Industry	187,696	303,560	197,262
Interest Income	1,170	2,651	807
	<b>188,866</b>	<b>306,211</b>	<b>198,069</b>
<b>Expenses</b>			
Transfer to Clare Valley Wine and Grape Association	97,556	300,000	232,000
Refund of Contributions	71	1,087	500
Supplies and Services	4,168	5,288	-
Auditor's Remuneration	6,300	6,500	6,600
	<b>108,095</b>	<b>312,875</b>	<b>239,100</b>
 <b>Net Surplus / (Deficit)</b>	 <b>80,771</b>	 <b>(6,664)</b>	 <b>(41,031)</b>
<b>Retained Earnings of the Fund (Total Equity)</b>	<b>159,405</b>	<b>152,741</b>	<b>200,861</b>



## Clare Valley Wine & Grape Association Inc

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### NOTE 15: ECONOMIC DEPENDENCE (CONTINUED)

PIRSA has provided guidance to the Association that the maximum amount that the Association can apply to receive from the Clare Valley Wine Industry Fund in FY23 is \$465,000, which is equal to:

- a balance in the Clare Valley Wine Industry Fund of \$191,000 at 30 June 2022; plus
- an estimate of levies to be paid by growers and wine makers in FY23 of \$320,000; less
- costs of administering the fund during FY23 and a buffer that is required to be left in the Clare Valley Wine Industry Fund of \$46,000.

The Association is dependent on the contributions from PIRSA for its continued existence and ability to carry out its annual activities.

At the date of this report, the Board had no reason to believe that PIRSA and the Minister would not continue to provide financial support to the Association.

#### NOTE 16: ASSOCIATION DETAILS

The registered office and principal place of business of the Association is:

8 Spring Gully Road

Clare SA 5453

## Clare Valley Wine & Grape Association Inc

### STATEMENT BY MEMBERS OF THE BOARD

The Board has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board the financial report as set out on pages 1 to 13:

1. present fairly the results of the operations of the Association for the financial year ended 30 June 2022 and the state of affairs of the Association as at the end of the financial year; and
2. the Board has reasonable grounds to believe that that the Association will be able to pay its debts as and when they fall due.

In accordance with section 35(5) of the Associations Incorporation Act, 1985, the Board of the Clare Valley Wine & Grape Association Incorporated hereby states that during the financial year ended 30 June 2022:

1. (a) no officer of the Association;  
(b) no firm of which an officer is a member; and  
(c) no body corporate in which an officer has a substantial financial interest,  
has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Association other than those disclosed in Note 13 to the financial statements.
2. No officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary value except for the transactions disclosed in Note 13 to the financial statements.

Signed: .....

Name/Position: .....

Dated: .....

Signed: .....

Name/Position: .....

Dated: .....

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of the Clare Valley Wine & Grape Association Incorporated.

### **Opinion**

We have audited the financial report of Clare Valley Wine and Grape Association (the Association), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the board.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards to the extent described in Note 1.

### **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 the Association 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.

### **Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use**

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared in order to satisfy the financial reporting requirements of the *Associations Incorporations Act (SA) 1985*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association'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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.



### **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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Yours sincerely

Nicholas Lopez  
Morris Forensic  
29 September 2022