

Wine
Australia
for
Australian
Wine

Annual Operational Plan 2017–18



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Introduction

This year, 2017–18, is the third year of our *Strategic Plan 2015–2020*.

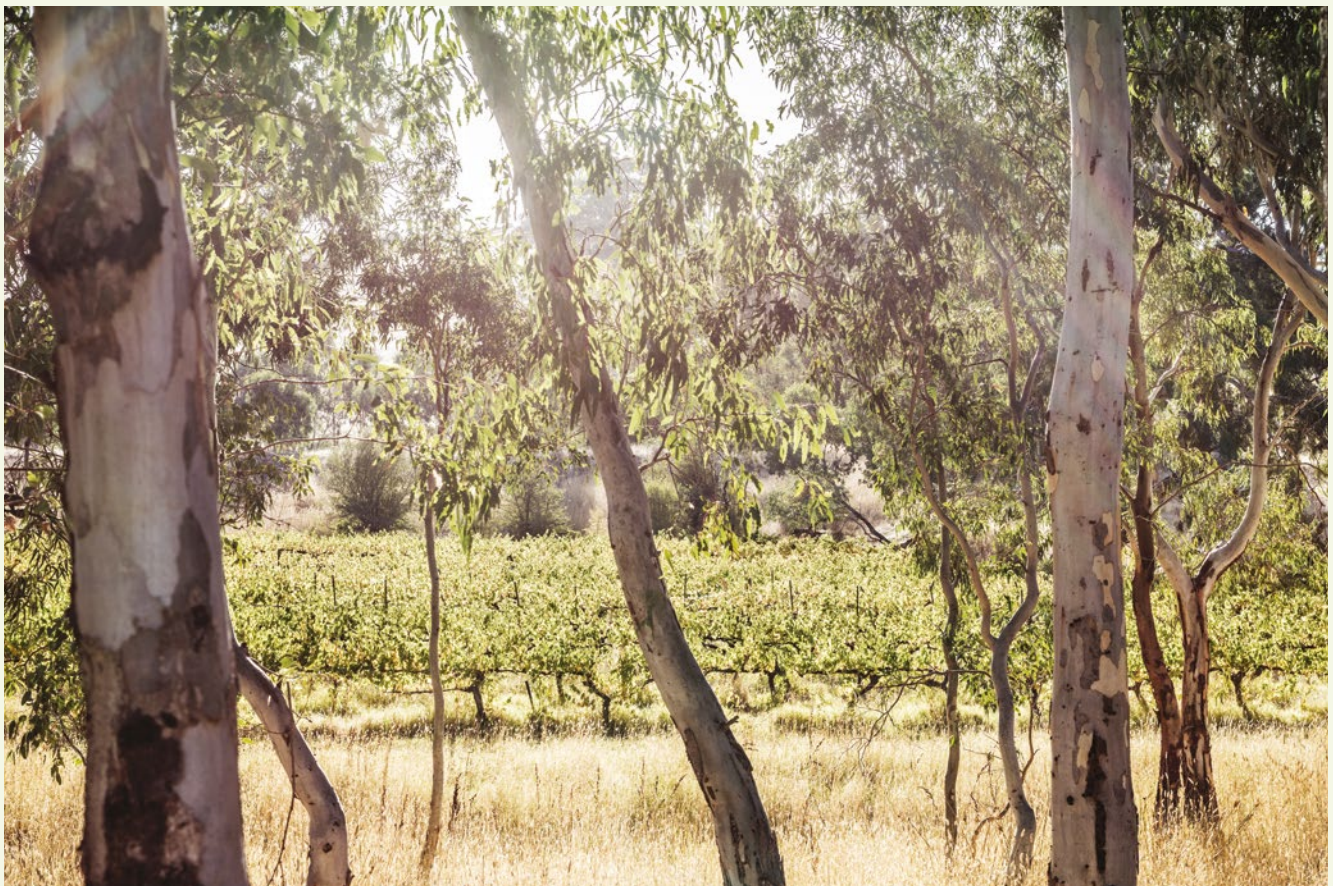
Our aspiration, as set out in the Strategic Plan, is to improve the prosperity of the Australian grape and wine community by increasing demand and the premium paid for all Australian wines, and by increasing competitiveness.

In the first two years of our Strategic Plan, the sector has made considerable gains:

- total free on board (FOB) export value has increased by 22 per cent, with value growth in all price segments, from \$1.9 billion to \$2.3 billion
- the strongest export value growth has been in the \$10 per litre and over FOB category
- average bottled export value per litre has increased by 11 per cent from \$4.90/litre to \$5.42/litre
- the value of domestic wholesale sales has increased by 11 per cent
- grape prices have started rising, demonstrating benefits being spread across the value chain, and
- customer quality perceptions are improving in many key markets.

In the past few years we've seen the tide start to turn for Australian wine with a resurgence of interest from influential wine professionals and global consumers. Clearly, much work remains and we are determined to deliver outstanding service to all our stakeholders to support their commercial success.

This *Annual Operational Plan 2017–18* sets out what we intend to achieve this year.





Marketing strategy

Our marketing strategy is all about presenting and celebrating our wine, our regions, our people and our stories. In a highly competitive marketplace, it is about finding and communicating those messages that will motivate consumers to choose our wines first. While it is always about consumers, there are myriad strategies that our winemakers and brand owners adopt to establish their point of difference with consumers. This can be direct to consumers via their cellar door and online mailing lists, through their digital marketing strategies, and through consumer-facing shows, events and functions. And of course, the same winemakers and brand-owners will also target influencers, the trade and the media – the opinion-leaders – because they know that one opinion is worth a thousand sales, and winning one trade buyer can be a direct entrée to more and more consumers.

Ultimately, it is Wine Australia's role to help our winemakers and brand owners put their best foot forward. And whether we target consumers directly or those who influence consumers and decide which wines are available for purchase, the end-game is consistently the same – to excite consumers, to get them talking about Australian wine, and to win a greater share of their wine and beverage budget.

The Wine Australia marketing strategy focuses on promoting Australia's entire wine offering by sharpening the focus on, and understanding of, our more premium or fine wines. This is not because we only want to sell more premium wine, but because we know that our ability to motivate consumers to spend more on our wine is being hampered by a view in some traditional key markets, such as the United States of America (US), that the beginning and end of the Australian wine category is our affordable, commercial wine.

Our strategy is a long-term one that is grounded in pragmatism and opportunity. Our role is to help our winemakers and brand owners put their best foot forward to win a greater share of the global alcohol beverage budget.

In most major markets, Australia already has a strong position in the commercial segment. For example, in the US, Australia is ranked second in imported volume (with a 15 per cent share) behind Italy (28 per cent share) but is ranked last for the average value of bottled imports among the 10 biggest importers. Currently, over 90 per cent of Australian wine sales in the US off-trade are in the big volume US\$4–7.99 per bottle price segment and Australia holds 13 per cent of the segment, making us the top ranked imported wine category in this segment. In contrast, Australian wine holds only a 1.7 per cent share of the market at US\$11–25 per bottle.

Market research shows that the Australian category does not have an image issue at the commercial end of the market, however US consumers hold more positive perceptions about the expensive/fine wine credentials of our key competitors. This situation is similar in the United Kingdom (UK), Canada and Japan, but very different in other markets, such as China, where our wines are rightly appreciated for being authentic, bold and exciting.

Our projections assume that while there will be growth in both the commercial and premium segments, value growth will be stronger in the premium end. This is in line with current global trends towards premiumisation. Generally, most markets worldwide have seen consumers trading up to higher value products, across a wide range of categories.

Those of us who make, drink and sell Australian wine know that the quality, authenticity and range of wines from Australia is exceptional. We know that our regions are as motivated as ever to work together and to promote what they do well. We know that we have some amazing innovators who are pushing boundaries with wine styles, with branding and with innovative routes to market. And we know that we have multi-generational family wineries that continue to strive to make the best wine possible.

Wine Australia's fine wine strategy is not about exclusion – it is all about inclusion, about working with our regions, our established family companies, our large brand-owners who can pave the way in new markets, and our innovators to promote our wine, our stories and our people. We have had an image problem that is now being redressed, and the whole Australian wine community benefits as a result.

Our marketing strategy is all about creating that 'sense of place', that our wine is from somewhere, not anywhere. Wine Australia's role here is to empower our regions, clusters, networks and, of course, our brand owners to get that message to the market.

Through our in-market teams covering China, the Americas, Asia Pacific, the UK and Europe, we partner with the Australian wine community to help our exporters seize commercial opportunities.

Our in-market teams are each led by a highly experienced Head of Market. They have built deep relationships with the local wine trade and media, they have an unrivalled understanding of their region and they can provide exporters with competitive insights on culture, local business practices and consumer trends. They can facilitate introductions to buyers, distributors, importers and on-premise trade.

Via more than 120 marketing activities, campaigns and partnerships every year, we challenge outdated perceptions of Australian wine and we showcase varieties and styles that best demonstrate modern Australian winemaking. We put the spotlight on Australian wine's distinctive terroirs, our authenticity and sense of place, and our talented and boundary-pushing winemakers from across all of our 65 regions.

We collaborate with like-minded organisations – within and across regions, along the value chain, and across sectors. Tourism Australia, Meat and Livestock Australia, Dairy Australia, Australian Wool Innovation, state tourism commissions and regional associations continue to be our strongest allies in building international awareness and demand of Australia's fine food and wine offering.

Our long-standing Austrade partnership helps the wine sector capitalise on every export opportunity. Austrade facilitates market entry for Australian wine companies and supports our marketing strategies across the Asian region and emerging markets.



A refreshed visits program

We believe that the best way to shape the opinions of the world's most influential wine professionals about Australian wine is to allow them to explore and experience the diversity and authenticity of Australian regions, styles, varieties and stories first-hand. With that in mind, we've launched a refreshed Visits Program that is wholly funded by levy funds. It will greatly improve the experiences of our visitors by allowing them to be immersed in our wine culture, thus positively improving their perception of Australia, our wines, our epicurean culture and our regions, and this will lead to stronger economic outcomes for our sector.

Wine Australia online

Building a strong digital presence supports business agility. Becoming a digitally-led business enables us to better communicate and engage with the wine trade and consumers, as well as our grapegrowers and winemakers.

In 2017, we launched a new website that brings the Australian wine story to life, as well as being a comprehensive resource for levy payers and wine professionals. Via the website, levy payers can access export market guides that offer extensive detail and advice on our main export markets, covering 99 per cent of Australian wine export value. They can access a vast library of wine and export market insights, to help them make the most informed business decisions. They can find out the latest export requirements for any market and they can apply for an export licence or certificate.

International wine trade and sommeliers can learn more of Australian wine's diversity, rich history, regions and quality by reading 'Stories of Australian wine', our Wine Australia blog, by downloading fact sheets, maps and infographics, or by registering to attend one of our global marketing events.

Practical research and development

We make significant investments in R&D that support improved viticultural and winemaking practices, and that give us greater insight into wine quality measurements, the terroirs of our regions, and customer insights across priority export markets.

We achieve the greatest returns on these investments by translating this research into practical advice and tools for grape and wine businesses. Research into country of origin perceptions of Australia tells us that international consumers view our wines as bold, authentic, exciting, sincere, reliable and strong. We're building on these positive associations via our marketing efforts.

We're investing \$5.3 million over three years into a suite of research projects that will help us better understand our terroir and how it can influence wine style and quality. Our objective is to use this information to elevate the perception of Australian Shiraz and the premium paid for it.

Export and Regional Wine Support Package

This year will see the first initiatives rolled out as part of the Australian Government's Export and Regional Wine Support Package to grow Australian wine exports and regional wine-based tourism. This \$50 million investment is an opportunity for Australian wine to make a significant impact on the global wine stage.

One of our greatest qualities is the camaraderie of our grape and wine community and we must work together to support a prosperous sector for all in a highly competitive international marketplace. Wine consumers have more choice than ever before so we have to be responsive, both as an organisation and as a sector. We have to stay informed on trends, not just in wine but across the food and beverage sector so that we can better anticipate what our consumers want and then deliver for them.

AGWA is here to serve the Australian grape and wine sector and every levy payer is encouraged to regularly access the available resources and services that we provide so that we better understand your commercial needs and we can continue to support the growth and profitability of your business.

In addition to our Key Performance Indicators, we have set these ambitious targets to challenge ourselves to deliver the greatest possible value to our levy payers and other stakeholders.

\$7.84

Close the gap: increase the average price per litre for Australian bottled wine exports from \$5.42 towards \$7.84.

85%

Increase stakeholder satisfaction with the services provided from 80% to 85%.

1350

Increase Market Bulletin subscribers from 860 to 1350.

1800

Increase RD&E newsletter subscribers from 1100 to 1800

15%

Increase the proportion of extension workshop participants who intend to change their practices as a result of the information provided from 10% to 15%.

9

Increase average positive perception of Australian wine amongst marketing activity guests from 8 to 9.

95%

Increase satisfaction of wineries and distributors who participate in Wine Australia events from 90% to 95%.

8.67/ 8.54

Improve consumer sentiment by 5% – from 8.26 to 8.67 in China and from 8.13 to 8.54 in the US.

300

Increase engagement with levy payers – attendees at Exporter Forum increases from 161 to 300.

257

In 2015–16, 1017 of the 2014 Wine Grape Levy payers held an export licence. We'll reach out to the 257 licence holders who didn't export to see how we can help.

Executive summary

Our goal

Our goal is a prosperous Australian grape and wine community.

State of play

The latest market insights show Australian wine sales have continued to grow internationally. Our Export Report March 2017 shows that, in the 12 months to the end of March 2017:

- the value of Australian wine exports grew 10 per cent to \$2.3 billion and volume increased by 5 per cent to 769 million litres
- the growth in value was driven by bottled exports, most notably at higher price points
- bottled exports grew by 12 per cent to \$1.86 billion
- exports priced at \$10 per litre or more FOB increased by 22 per cent to a record \$601 million. This reflects the increasing demand for premium Australian wines in most regions around the world.
- there was double-digit growth in all premium price segments, and
- the average value of bottled exports increased for the seventh straight year, by 3 per cent to \$5.47 per litre.

The domestic market accounts for 39 per cent of Australian wine sales. In 2015–16, the value increased by 6.9 per cent to \$2.97 billion and the volume of Australian wine sales domestically increased by 2.5 per cent to 468 million litres.

Our priorities

To achieve our vision of a prosperous Australian grape and wine community, we focus on two clear priorities.

Priority 1: Increasing demand and the premium paid for all Australian wine.

Priority 2: Increasing competitiveness.

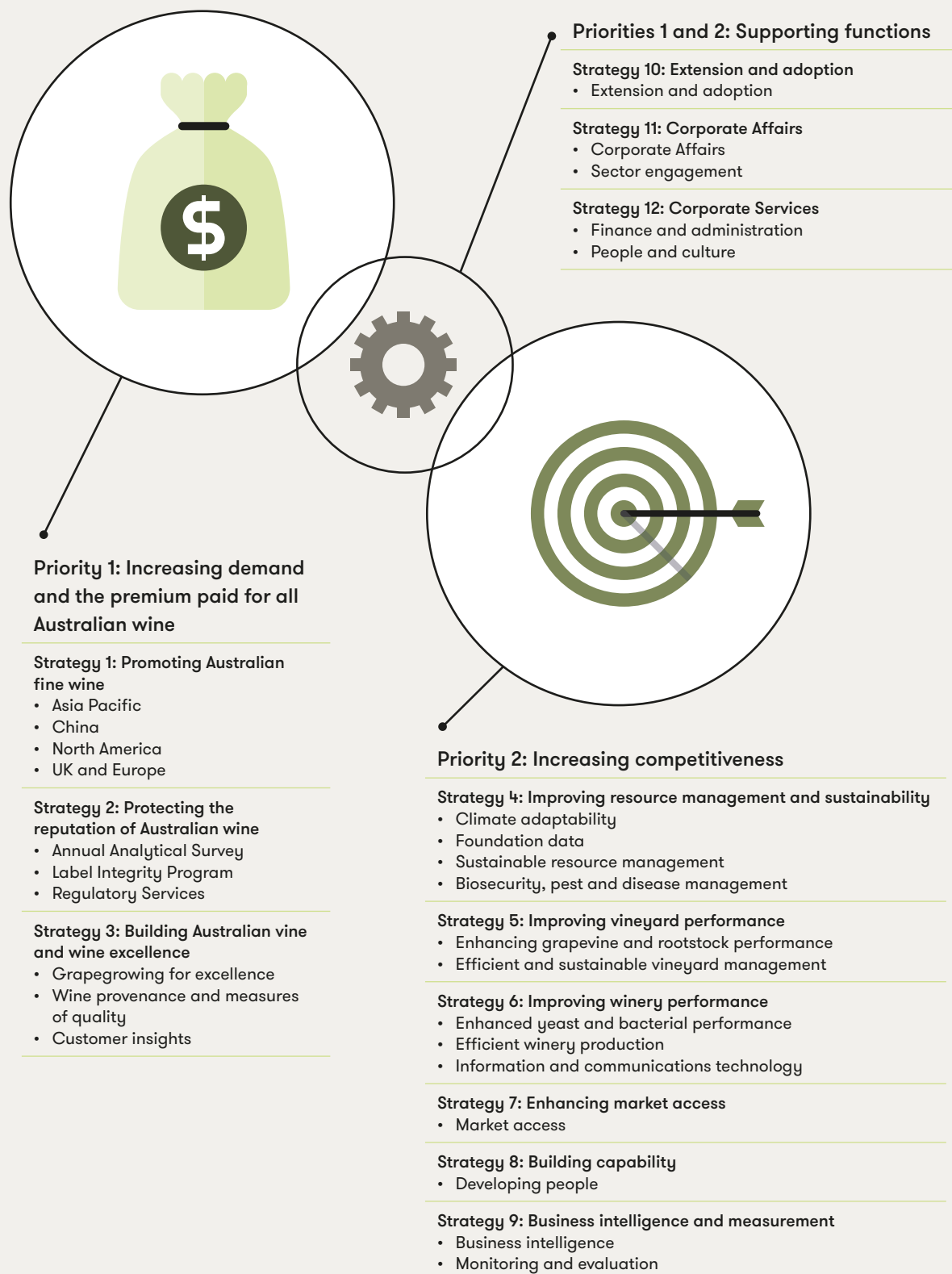
The Board developed two measures to determine whether we achieve the priorities – beyond the measures of success in the Strategic Plan.

Outcomes

Table 1: Targets to achieve our priorities

Outcome	Strategic Plan target	2017–18 target
Improved returns for Australian wine exporters	The average price per litre for Australian bottled wine exports increases to a point where it is at or near the highest average price per bottle of our global competitors by key markets.	The average price per litre for Australian bottled wine exports increases year-on-year from \$5.42 in May 2017.
Improved global competitiveness	Australian vineyards and wineries are efficient by global standards.	Set benchmarks to measure practice change for the five viti and five winemaking practices identified.

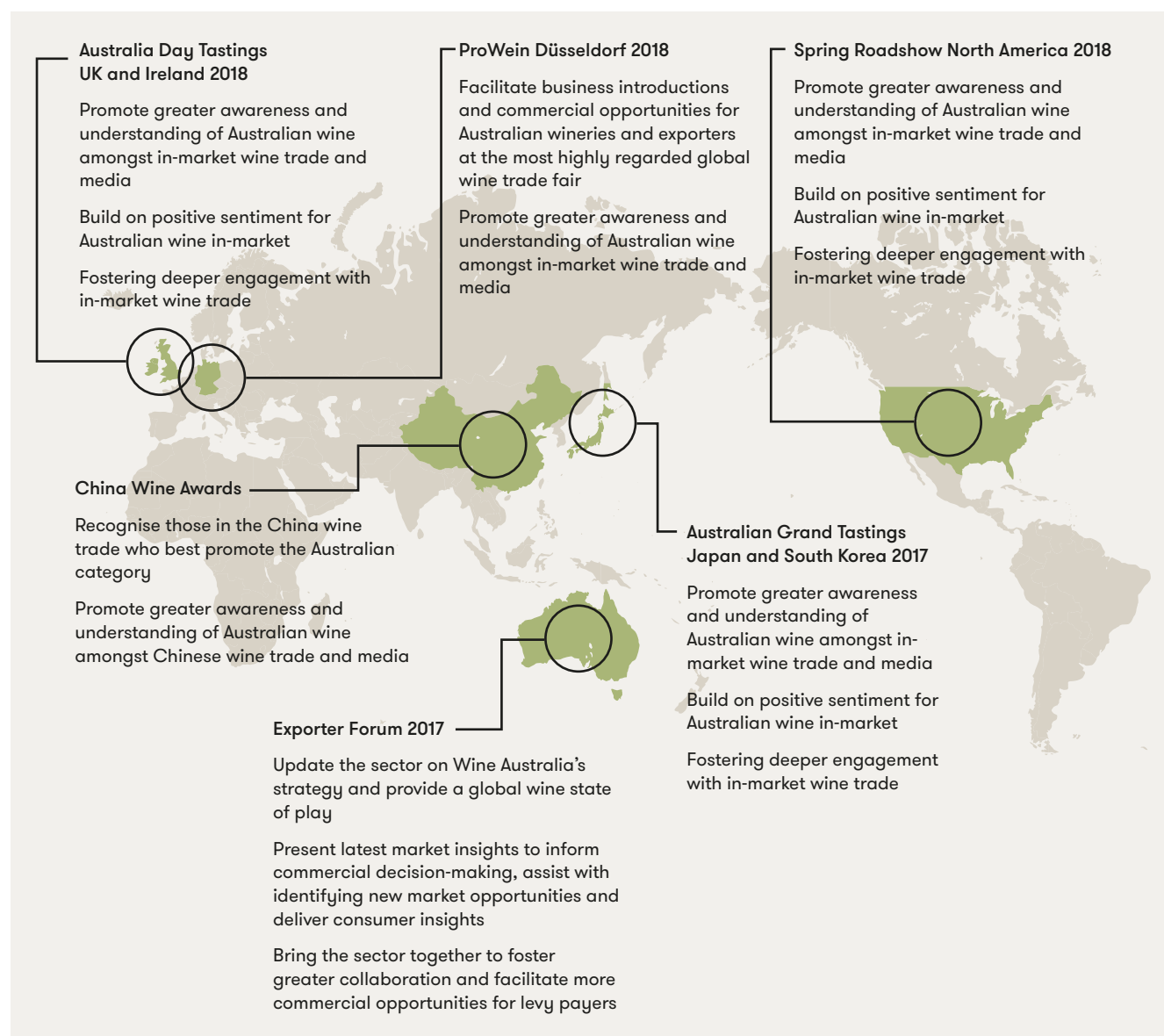
Strategic priorities 2017–18



Priority 1: Increasing demand and the premium paid for all Australian wine

We focus our efforts on our best wines, those fine wines of exceptional quality and finesse that reflect their provenance and terroir and elevate the image and reputation of the wines we produce. We support Australian wine's quality and provenance claims with our robust regulatory system and we provide tangible evidence to support our fine wine claims through research into Australia's unique terroirs and how these terroirs influence wine style and quality.

Key activities in 2017-18



Strategy 1 – Promoting Australian fine wine

With our marketing activities, we aim to:

- continually improve the quality perception of Australian wine
- create a platform for the commercial success of our brand owners, and
- facilitate in-market support and engagement for brand owners.

Our marketing strategy focusses on promoting Australia's entire wine offering by sharpening the focus on, and understanding of, our more premium or fine wines. This is not because we only want to sell more premium wine, but because we know that our ability to motivate consumers to spend more on our wine is being hampered by a view in some key traditional markets, such as the US and UK, that the beginning and end of the Australian wine category is our affordable, commercial wine.

In most major markets, Australia already has a strong position in the commercial segment, which we wish to maintain. However, our focus is to improve consumer perceptions of Australian wine quality in the premium segments, where we believe value growth will be strongest. In some markets, such as the US, the UK and Canada, we need to disrupt anchored views of Australian wine. In other markets, such as China and Hong Kong, we need to reinforce their positive views that our wines are authentic, bold and exciting.

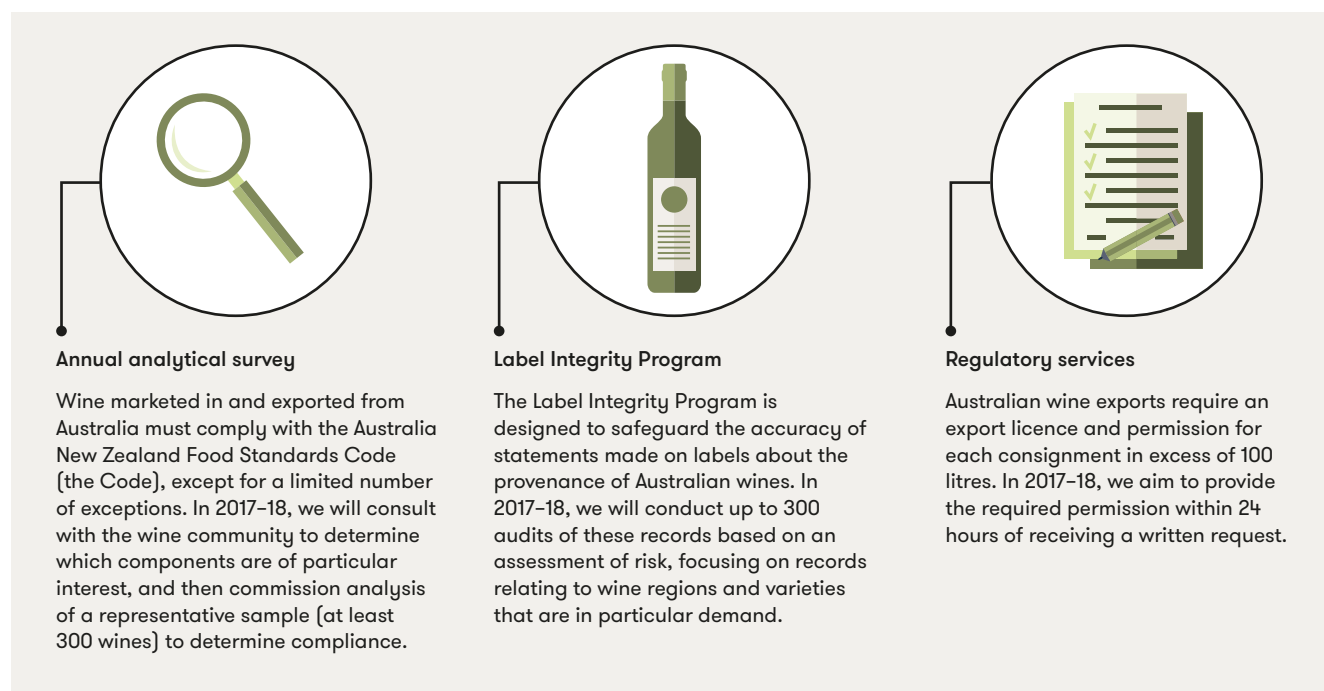
This is a long-term strategy but one that is grounded in pragmatism and opportunity. Our role is to help our winemakers and brand owners to put their best foot forward to win a greater share of the global alcohol beverage budget.

Strategy 1 – Promoting Australian fine wine

Program	Strategic Plan measure of success	2017–18 measure of success
Global marketing	Trade and consumer educational events deliver key messages to support the strategy	<p>An educational component at 70% events to promote Australian wine's strategic narrative – quality, diversity, innovation, terroir</p> <p>Strengthen existing relationships and develop new relationships with key in-market wine trade, media and other wine influencers</p> <p>At least 75% of guests indicate a positive/improved perception change towards Australian wine, captured through post-event survey</p> <p>At least 20% increase in positive sentiment in media coverage and other published content on Australian wine</p>
	At least 90% of wineries and distributors who participate in Wine Australia events report that they are satisfied	At least 90% of wineries and distributors who participate in Wine Australia events report that they are satisfied
Asia Pacific	Year-on-year positive growth in consumer sentiment index	Growth in consumer sentiment index in Hong Kong from 6.87, in Japan from 7.47, in Singapore from 7.29 and in South Korea from 6.51.
China	Year-on-year positive growth in consumer sentiment index	Growth in consumer sentiment index in mainland China from 8.26.
Europe, Middle East and Africa (EMEA)	Year-on-year positive growth in consumer sentiment index	Growth in consumer sentiment index in the UK from 8.12.
The Americas	Year-on-year positive growth in consumer sentiment index	Growth in consumer sentiment index in Canada from 8.05 (English speaking) and from 7.92 (Québec) and the US from 8.13.

Strategy 2 – Protecting the reputation of Australian wine

Our regulatory framework provides a solid foundation for maintaining the quality and integrity of Australian wine.



Strategy 2 – Protecting the reputation of Australian wine

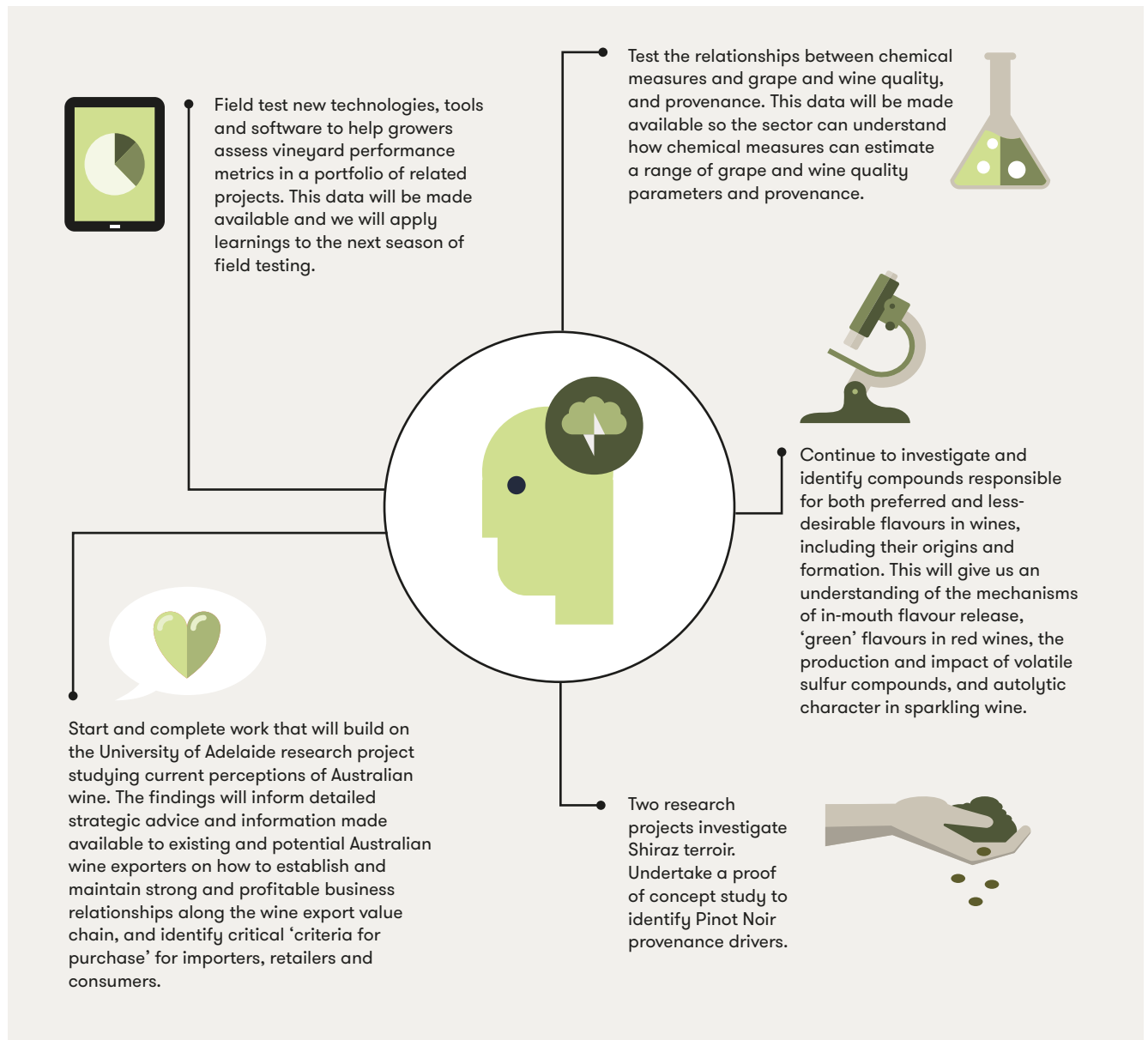
Program	Strategic Plan measure of success	2017-18 measure of success
Annual analytical survey	Compliance with the Code is demonstrated through analysis of a representative and comprehensive sample of Australian wines	Compliance with the Code is demonstrated through analysis of at least 300 Australian wines
Label Integrity Program	Any minor breaches of the record-keeping requirements of the Australian Grape and Wine Authority Act 2013 (the Act) that are identified through risk-based inspections are remedied, while action is initiated in response to serious breaches	Any minor breaches of the record-keeping requirements of the Act that are identified through risk-based inspections are remedied, while action is initiated in response to serious breaches
Regulatory services	An efficient export certification process supports Australian wine sector exports	We will improve the automated export certification process implemented in 2016-17. We will take steps to upgrade the wine export approval system.

Strategy 3

Building Australian grape and wine excellence

Better understanding of Australia's unique terroirs and how they influence wine style and quality will provide the tangible evidence to support our fine wine message.

Key activities in 2017–18



Strategy 3 – Building Australian grape and wine excellence

Program	Strategic Plan measure of success	2017–18 measure of success
Grapegrowing for excellence	New viticultural approaches or tools are available to help growers optimise grape production towards desired quality targets, preferred wine styles and premium price points	<p>First field testing data available from the application of new digital sensor technologies for assessment of canopy architecture, disease management, yield, crop condition and quality estimation. New software tools for routine precision viticulture (spatial) analysis.</p> <p>Obtain further field data to assess the spatial similarity between patterns of variation in yield and indices of grape quality.</p> <p>Field data aligning the prediction of the optimal harvest 'window' and grape and wine compositional marker compounds with preferred wine styles.</p> <p>Recommendations and strategies for the application of selected plant growth regulators to control (delay) berry development/ripening.</p> <p>A robust assessment on the role of 'vine balance' on wine quality is available to the sector, based on three years of wine compositional data and field tests.</p>
	Development of a better understanding of how grapevine genetics interact with environment and viticultural management techniques to optimise expression of terroir	<p>Initiate a new five-year study that seeks to understand the environmental drivers that relate to physiological changes in grapevines that lead to changes in berry composition and the optimal expression of terroir for Australian Shiraz.</p> <p>New knowledge available on the sensory and chemical properties of wine from Shiraz and Chardonnay grapevine clones grown in different regions.</p> <p>First season of results available from a new project investigating rotundone and its role in defining terroir in iconic Australian cool climate 'peppery' Shiraz.</p>
	Digital tools are developed to capture and interpret the information in large data sets to drive quality improvements	<p>Improve understanding of the relationship between yield and canopy parameters and vine performance, based on three seasons' data.</p> <p>New smartphone apps beta-tested for application as an in-field tool to assess vine water stress.</p> <p>Progress towards the release of a smartphone-based imaging tool to estimate the optimal harvest window for white wine varieties according to wine style/flavour profile, and berry volume.</p>
	New tools to drive quality improvements draw on the benefits of recognition technologies, robotics and/or systems engineering	<p>Proof of concept completed for disease assessment of grapes and the detection of contaminants at the weighbridge, using hyperspectral imaging and/or spectroradiometer probes.</p>
Wine provenance and measures of quality	New measures of assessing grape and wine provenance and quality are available for use by grapegrowers and winemakers	<p>New knowledge available to inform on the relationship between objective chemical measures of grape composition and fruit quality grading.</p> <p>Experimental data to assess the robustness of the use of stable isotope and trace metals assays to discriminate regional source of origin for grape (and wine) samples.</p> <p>Data from two seasons available to validate objective measures of quality (e.g. GC/MS analysis for off-flavours) and the creation of acceptable thresholds for bunch rot contamination in wine.</p> <p>A metal speciation 'How to' guide is available for winemakers, to assist in the routine measurement and interpretation of the impact of metal ion speciation in wines.</p> <p>Assessment of spectroscopy as an objective measure of powdery mildew infection in grapes, increased sector use of an improved diagrammatic key and smartphone app for estimation of disease severity in the field.</p>

Program	Strategic Plan measure of success	2017–18 measure of success
	Development of knowledge that allows grapegrowers and winemakers to capture, enhance and preserve terroir through optimised winemaking practices	<p>Two projects investigate the drivers of Australia's unique terroirs on Shiraz wine style and quality, seeking to understand how to optimally express those terroirs in finished wine.</p> <p>Disseminate information on consumer preferences for and identity of compounds responsible for 'green' flavour in red wines, including the origins and formation of the compounds and possible amelioration strategies.</p> <p>Disseminate knowledge via workshops and seminars, on the link between flavour precursor levels in grapes and wines, and their sensory significance in wine.</p> <p>Improve sector understanding of the utility and feasibility of new tools and strategies to assess and achieve protein stability in wines, the mechanism of haze formation and the impact of wine colloids and matrix on new protein haze control processes.</p> <p>Greater sector awareness on the influence of metal chelation/ removal on the formation of volatile sulfur compounds and factors that regulate their formation by yeast during fermentation.</p> <p>Preliminary information available from a project that seeks to identify impact compounds responsible for 'autolytic character' in sparkling wine, and results from spectral fingerprinting of juices to determine provenance.</p> <p>Proof of concept for chemometric integration of site (soil, clone, region), chemical and sensory markers of quality to identify Pinot Noir provenance drivers.</p>
Customer insights	The grape and wine community is able to use customer insights gained from research in established and emerging markets into customers' preferences, perceptions, behaviours and what influences customers' decisions	<p>Submit final report and share with the sector details of current perceptions of Australian wine among global consumers.</p> <p>Extend key findings to the sector synopsising how to effectively use WeChat and Sina Weibo in the China market.</p> <p>Provide information that will assist exporters in the creation of stronger business relationships across the US and UK wine value chain.</p> <p>Final project results that inform the Australian wine community what drives choice in the US market, and how Australia and our key competitors perform on these choice factors.</p> <p>Final research findings that provide information on who to target and how to sell fine wine in China.</p> <p>Publish new information on objective measures for Australian sparkling wine style and quality, including insights on consumer preferences for different product segments.</p>

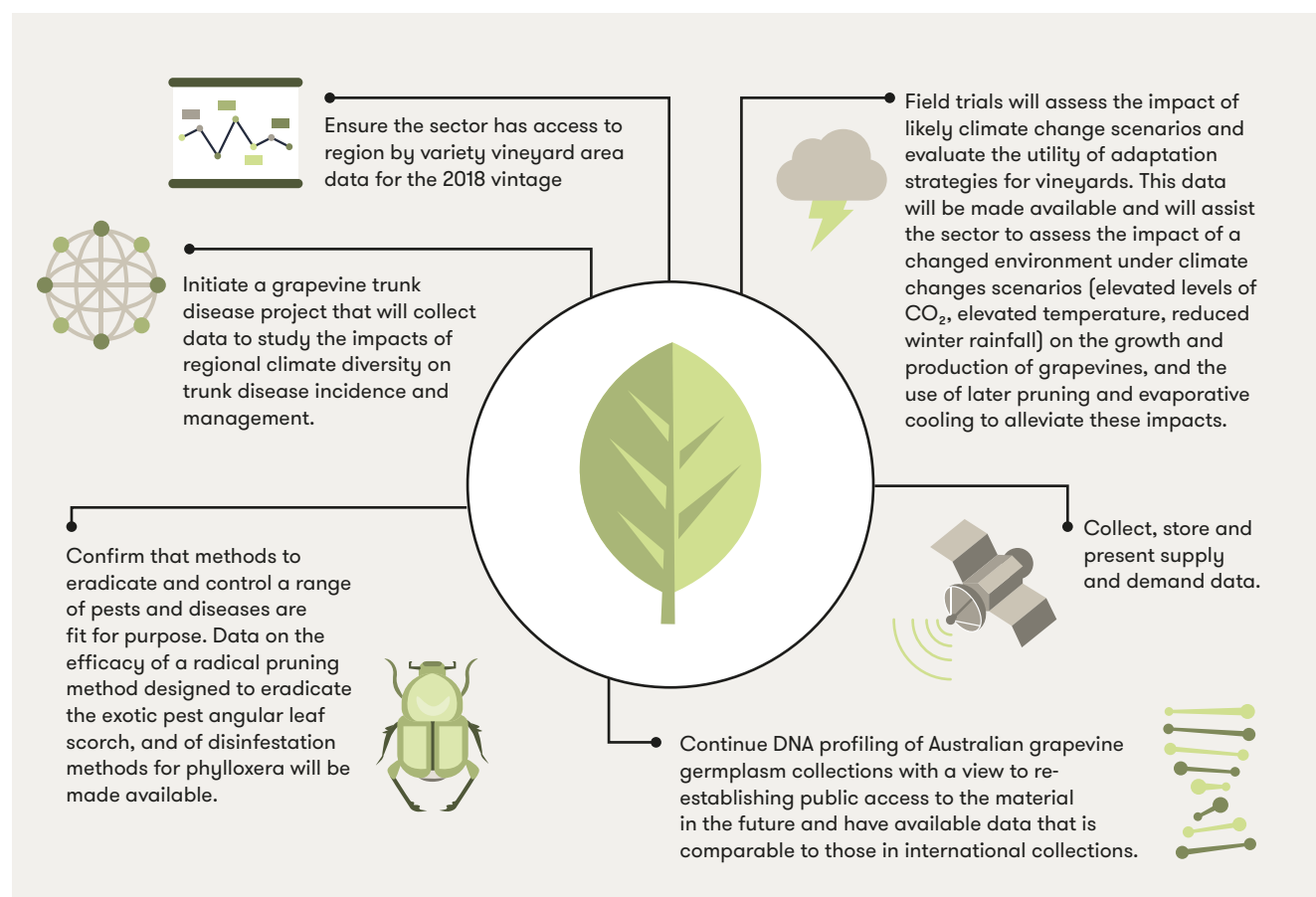


Priority 2: Increasing competitiveness

Our focus is on enhancing and building Australia's competitive edge by developing and adopting new and better ways of growing grapes and making wines. Increasing competitiveness is about more than reducing costs; it's about using all of our resources to create and embrace new opportunities.

Strategy 4 – Improving resource management and sustainability

Key activities in 2017–18



Strategy 4 – Improving resource management and sustainability

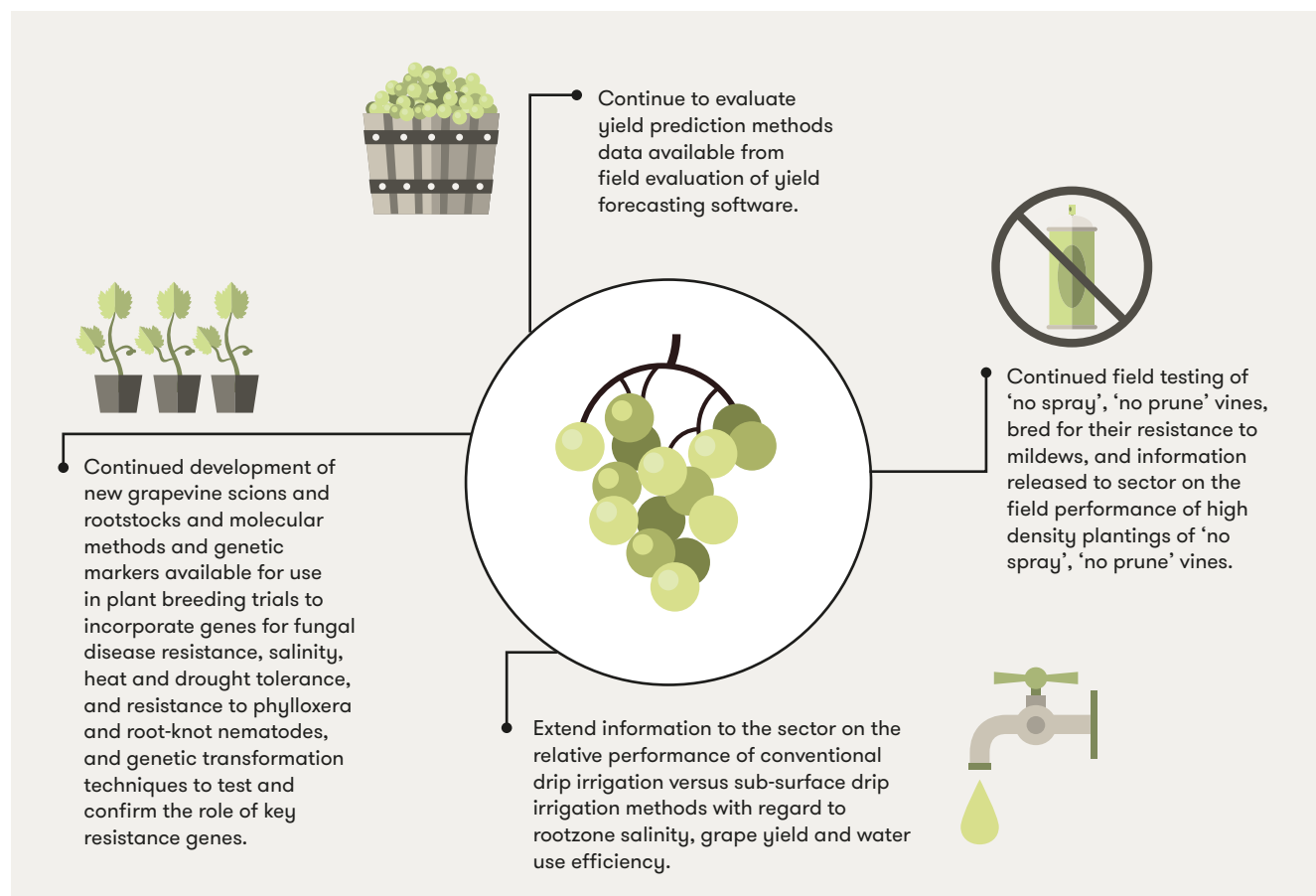
Program	Strategic Plan measure of success	2017–18 measure of success
Climate adaptability	The sector has an improved understanding of how increased temperature, increased CO ₂ and reduced water can impact grape and wine production	Three seasons of data on how elevated levels of CO ₂ and elevated temperature impact the growth and production of Shiraz, including grape quality parameters, and wine sensory and chemical characters.

Program	Strategic Plan measure of success	2017–18 measure of success
	Climate adaptation strategies are evaluated and available to the sector for adoption by 2020 to alleviate impacts of long-term warming and prolonged seasonal heat events	<p>Continue evaluation of new scion-rootstock combinations and new sensor technology for improved water efficiency, reduction in greenhouse gas emissions and reduced costs in the vineyard.</p> <p>Three seasons of data investigating how reduced winter rainfall may impact vine production and wine quality, by analysing vine activity during dormancy.</p> <p>Complete evaluation of late pruning as a method to delay grape ripening and spread harvest duration, and use of evaporative cooling to alleviate the effect of heatwaves on grapevines.</p> <p>Additional results on whether in-canopy misters can mitigate the effect of heatwaves on grapevine performance and grape ripening and composition.</p> <p>Map climate suitability for key grapevine varieties under current and future climates; compile crop calendars for six case study grapegrowing regions of Australia.</p>
Foundation data	The Australian wine sector has access to supply and demand information to assist sector planning	Collect, store and present the supply and demand data.
	We take a lead role in ensuring the sector has access to key foundation data sets	Ensure the sector has access to increasingly granular data.
Sustainable resource management	We will work with the sector to preserve and manage access to grapevine germplasm resources	Continue DNA profiling of the major public and private Australian grapevine germplasm collections with comparison of profiles against reference samples provided by international collaborators.
	Australia's competitive advantage will be enhanced by knowledge that leads to innovation to increase economic, social and/or environmental sustainability in the vineyard and/or winery	Progress on the development of a user-friendly 'activity-based costing' tool and a database for use by wineries to assess and benchmark production costs, model the impact of process efficiency improvements and inform decision-making.
	The science to support an informed and balanced debate on wine and health is synthesised and promulgated	Review the previous activities and determine optimal way to continue to support a balanced discussion on wine and health.
Biosecurity, pest and disease management	The sector is prepared for exotic pest incursions through the provision of available diagnostic protocols of the high-priority plant pests	<p>Field test a radical pruning method designed to eradicate the exotic pest angular leaf scorch, and include the method in the Viticultural Sector Biosecurity Plan.</p> <p>Endorsement by the Subcommittee on Plant Health Diagnostics of five new and two updated National Diagnostic Protocols for high priority exotic pest threats to viticulture.</p>
	Improved practices for sustainable management of pests and diseases are available for sector adoption by 2020	<p>Provide recommendations to inform national disinfestation protocols following completion of disinfestation trials using alternative treatments to sodium hypochlorite against selected endemic phylloxera strains.</p> <p>Outcomes available from an in-field trial using sniffer dogs to screen for phylloxera infestation.</p> <p>Disseminate information to the sector on a quantitative real-time polymerase chain reaction assay for the detection of phylloxera DNA in soil, as a primary detection method.</p> <p>Deliver workshops and disseminate new information on improved vineyard spraying and drift reduction technologies, to optimise coverage and reduce spray buffer zones.</p> <p>Initiate project to develop and evaluate a PACE (pesticide adjusted for the canopy environment) system for vineyards, using LiDAR and 4D canopy imaging sensors.</p> <p>Evaluate in vitro methods for testing botrytis and powdery mildew fitness; provide further information on the relationship between laboratory phenotype and genotype, and how these relate to the field efficacy of fungicides.</p>
	Improved management strategies to prevent and manage trunk diseases are developed and promulgated	Initiate project studying the impacts of regional climate diversity on trunk disease (eutypa and botryosphaeria) incidence and management.

Strategy 5 – Improving vineyard performance

We will invest in new or enhanced technologies and processes that improve vineyard efficiency.

Key activities in 2017–18



Strategy 5 – Improving vineyard performance

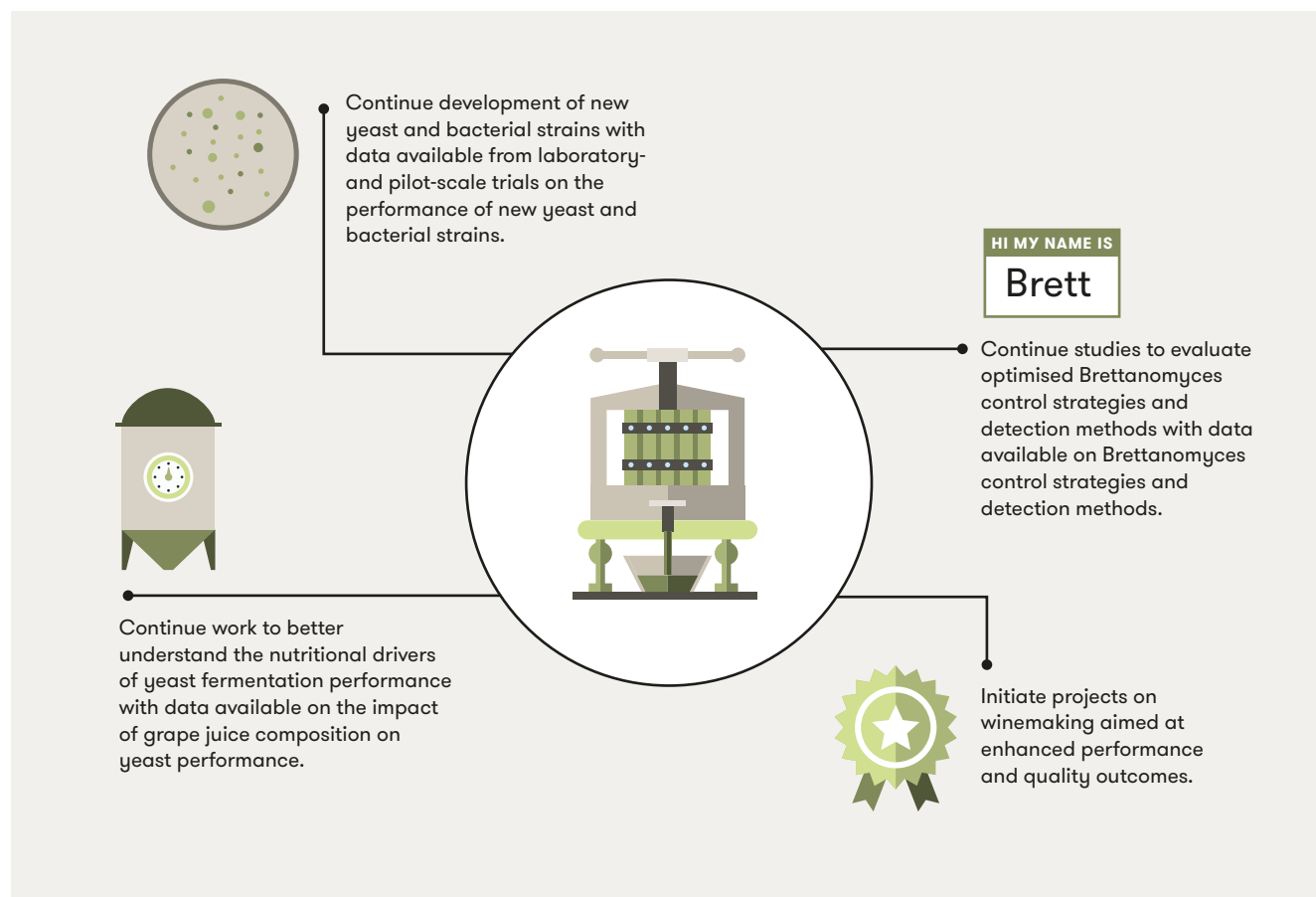
Program	Strategic Plan measure of success	2017–18 measure of success
Enhancing grapevine and rootstock performance	<p>Enhanced or new grapevine varieties, clones and rootstocks are available to the sector through plant breeding programs, informed by molecular methods to identify desired genotypic traits, for example:</p> <ul style="list-style-type: none"> • tolerance to biotic and abiotic stressors, and • improved wine flavour profiles 	<p>Further refinement of molecular methods and genetic markers for use in plant breeding trials to incorporate genes for fungal disease resistance, salinity, heat and drought tolerance, and resistance to phylloxera and root-knot nematodes.</p> <p>Provide information on the field performance of high density plantings of ‘no spray’, ‘no prune’ vines, bred for their resistance to mildews.</p> <p>Continued development of genetic transformation techniques to test and confirm the role of key resistance genes important in grapevine breeding lines.</p>
Efficient and sustainable vineyard management	<p>New or enhanced technologies and processes to improve vineyard efficiency and sustainability are evaluated and available for adoption by 2020</p> <p>Improved yield prediction methods are developed and made available</p>	<p>Release results and recommendations from a five-year field evaluation of the relative performance of conventional drip irrigation versus sub-surface drip irrigation methods, with regard to rootzone salinity, grape yield and water use efficiency.</p> <p>New information available on the impact of native under-vine plants, on grape yield and soil microbe populations in the rhizosphere.</p> <p>Complete a field evaluation of yield forecasting software and a prototype smart device for use with a tablet/phone and compare against best practice ‘manual’ yield forecasting methods.</p> <p>Progress towards optimised yield prediction models based on statistical analysis of historic vineyard data. Create a preliminary user interface that combines the models with a centralised database of vineyard phenological and weather data.</p> <p>Initiate proof-of-concept project to evaluate the feasibility of Raman and FT-NIR spectroscopic scanning methods for the detection of inflorescence primordia (the cells from which the leaves and berries grow) in grapevine buds, and investigate their potential for determining bud fruitfulness and providing an early prediction of yield.</p>



Strategy 6 – Improving winery performance

We will continue to invest in new or enhanced technologies and processes that improve winery efficiency.

Highlight projects/activities



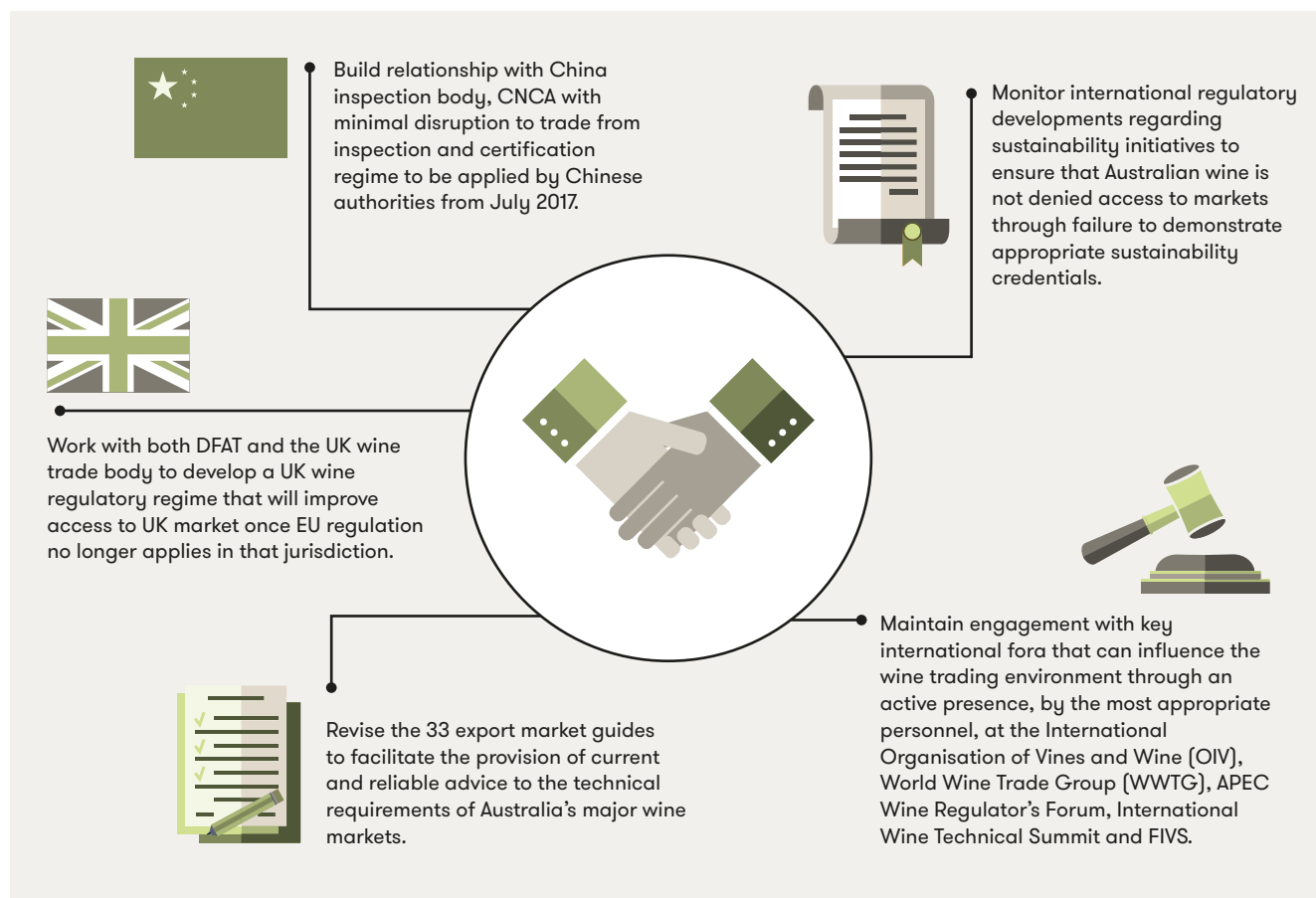
Strategy 6 – Improving winery performance

Program	Strategic Plan measure of success	2017–18 measure of success
Enhancing yeast and bacterial performance	New or enhanced yeast and bacterial germplasm are available to the sector to enhance winemaking processes and realise performance and economic gains, through improved fermentation efficiency and differentiation of wine products/styles	Progress towards the development of novel yeast strains and malolactic bacteria for improved fermentation performance and flavour profiles; a better understanding of nutritional drivers and dissemination of new knowledge to winemakers. Disseminate updated information on Brettanomyces control strategies and detection methods.
Efficient winery production	Enhanced understanding of microbiological processes is available to optimise winery wastewater treatment efficiency	Release a set of practical guidelines for winery wastewater treatment plant operators to help maximise plant efficiency and reduce the likelihood of plant failures.

Strategy 7 – Enhancing market access

We will enhance market access by identifying and managing technical trade barriers.

Project/activity



Strategy 7 – Enhancing market access

Program	Strategic Plan measure of success	2017–18 measure of success
Market access	Market access is maintained in existing markets and improved in developing markets	No new unjustified technical impediments to trade are introduced in existing markets and the APEC Wine Regulatory Forum makes progress in all five priority areas by the conclusion of its five-year program in 2018.
	Technical barriers are identified and managed to the satisfaction of stakeholders	No Australian wines that comply with the advice provided through our Export Market Guides are justifiably rejected by international authorities.
	Negotiations for improved market access are supported with accurate, timely and appropriate technical information	<p>The Australian Government is well informed in any action it takes regarding the restrictive trading measures recently introduced by various Canadian provinces.</p> <p>Provide appropriate advice to the Australian Government in relation to the three key agreements most likely to be progressed in 2017–18: the Regional Comprehensive Economic Partnership and FTAs with Indonesia and India.</p>

Strategy 8 – Building capability

We need leaders to pursue our ambitious cross-generational goal of being recognised as the world's preeminent wine-producing country. We will invest in developing the leadership and personal skills of the next generation of wine sector leaders and the capacity of researchers.

Key activities in 2017–18

In a dynamic and evolving sector, at least 15 Future Leaders 2017 participants will explore new avenues in business, marketing and governance, and how global economics will shape the future.

Participants will learn about new technologies, how to amplify the innovative thinking that already exists in our sector, and contemporary approaches to people development and commercial success.

By the time they graduate in October, they will have heard from some of Australia's best speakers in topics such as innovation, leadership and culture, and they will have connected with people from across the grape and wine community, including our Future Leaders alumni.

Strategy 8 – Building capability

Program	Strategic Plan measure of success	2017–18 measure of success
Developing people	At least 75 members of the grape and wine community receive leadership and personal development training by 2020	At least 15 members of the grape and wine community commence leadership and personal development training in 2017–18.
	The capacity of the next generation of researchers is developed through at least 75 scholarships for PhD, Masters and Honours study and support for other learning opportunities	The capacity of the next generation of researchers is developed through at least six scholarships for PhD and Masters study; travel support is extended to at least eight incoming or outgoing scholars; and at least six early career researchers work with Australia's wine regions to lead a co-funded locally-focused research project.





Strategy 9 – Business intelligence and measurement

We will encourage evidence-based and data-driven decision making by collecting, analysing and disseminating global wine sector intelligence and accurate and timely supply and demand information.

Strategy 9 – Business intelligence and measurement

Program	Strategic Plan measure of success	2017–18 measure of success
Business intelligence	The Australian wine sector's competitiveness is supported through the collection, presentation and dissemination of global wine sector intelligence	Produce, deliver and communicate region-specific statistics and reports to support business decisions.
	We are relied on by the sector to provide accurate and timely supply and demand information	Produce, deliver and communicate market-specific statistics and reports for the sector that guide business decisions and our investments in marketing and RD&E.
	We provide a comprehensive range of information to assist business and investment decision making in the sector	Deliver targeted presentations aimed at increasing the awareness of the global wine sector information that is available. Provide timely and accurate responses to ad hoc questions.
Monitoring and evaluation	Stakeholders indicate a high-level of satisfaction with the services provided across the business	At least 75% of stakeholders indicate a high level of satisfaction with the services provided across the business.
	Benefit-cost analysis (BCA) indicates programs that achieve a positive return on investment	BCAs indicate at least 75% of programs measured achieve a positive return on investment.

Priorities 1 and 2

Supporting functions

To ensure that the Australian grape and wine community obtains the full benefits of its investments, we will champion the extension and adoption of R&D outcomes. We will communicate with our many audiences clearly and effectively, and we will look to drive value through our business.

Strategy 10 – Extension and adoption

We will focus on supporting a clear pathway to market for R&D, from the initial project design to the extension of the results. We will use a range of delivery networks and programs to disseminate R&D outcomes and encourage the adoption of new technologies and practices. We will continue to partner with wine sector organisations to enhance the adoption of R&D outcomes. Our Regional Program is a valued vehicle for promoting the adaption and adoption of research outcomes. We will continue to partner with 11 regional clusters to deliver extension and practical trials that meet regional priorities.

Key activities in 2017–18

We will identify the top five new oenological, viticultural and marketing practices and develop a focused adoption campaign to extend these practices among the sector.

We will refine our surveys and follow-up sessions to better collect information on the effectiveness of our events and products in encouraging practice change.

Our Regional Program is a valued vehicle for promoting the adaption and adoption of research outcomes. We will continue to partner with 11 regional clusters to deliver extension and practical trials that meet regional priorities.

The AWRI helpdesk will continue to provide a free-of-charge advice service to Australia's grapegrowers and winemakers who pay the wine grapes and/or grape research levies. Advice is available on technical issues from experienced winemakers, viticulturists and scientists.

Strategy 10 – Extension and adoption

Program	Strategic Plan measure of success	2017–18 measure of success
Extension and adoption	Pathways to extension and adoption are incorporated into the planning and approval process of research projects	R&D project assessment criteria includes evaluation of the extension plan and the likelihood of adoption by levy payers.
	We partner with regions through the Regional Program to deliver extension and practical trials that encourage adoption and adaption of research findings	The Regional Program delivers at least 80% of the planned activities across the 11 regional clusters.
	Our delivery networks and programs are strongly supported, as demonstrated by user participation and feedback	At least 85% of survey respondents who attend workshops provide an overall rating of at least 4 out of 5.
	Levels of understanding and adoption of R&D outcomes are regularly measured and supported	At least 80% of survey respondents indicate that information provided at workshops is useful to their business and/or for their decision making.

Strategy 11 – Corporate affairs

Our corporate affairs function will support clear and effective communications with internal and external stakeholders.

Our communications will:

- Reflect and reinforce Wine Australia’s support of and commitment to the Australian grape and wine sector
- Facilitate the flow of relevant and timely news and information to our stakeholders about both Wine Australia and its activities



Corporate affairs

Levy-payer communications and media office function in relation to:

- Urgent updates to export regulations and/or requirements; updates to licencing system
- Audits and outcomes of audits e.g. cancellation of licence; breaches
- Regulatory programs
- Updated export market guides
- Updates to market access to key export destinations e.g. FTA benefits; tariff reductions
- Updates on trade group participation and market access advocacy on behalf of the sector e.g. WWTG and OIV
- Marketing activities and events; calls for participation and sharing outcomes with the sector
- Quarterly Export Report release to the sector
- Latest surveys and market insights available to levy payers
- Region and variety snapshots
- Sector overviews
- Benefit-cost analyses of our activities and investments
- Project announcements and updates across RD&E and market insights
- Future Leaders 2017
- PhD, Masters and Honours scholarships
- Travel bursaries
- Mentoring circle
- Pontifex Scholarship (UK recipient in 2017)
- Extension and adoption opportunities, workshops and updates
- New RD&E factsheets and intelligence.

Sector engagement

Engage in effective two-way dialogue and understanding with national, state and regional representative bodies.

Strategy 12 – Corporate services

We will enable cost-effective operations through the efficient and timely provision of a range of support services

Finance and administration

Provide the business with timely and accurate reporting to enable effective decision-making, financial management and budgetary control.

- Budget preparation, management and reporting, including quarterly reviews and reforecasting
- Annual financial statements and audit sign off
- Internal audit reviews completed as per Internal Audit plan
- Adhere to operating reserves policy

Risk management

- Ensure our commercial needs are reflected in our contracts
- Manage adherence to policy and procedures, and mitigate risk

People and culture

- Ensure recruitment and retention activities support the business in achieving objectives and match business needs
- Completion of performance agreements
- Personal development plans completed and implemented by each team member
- Recruitment matches business needs
- Compliance with local and international employment legal requirements
- Adherence to HR policies



Key performance indicators

We have 10 key performance indicators against which we measure and report our activities and outcomes in support of our strategic priorities and the Australian Government priorities.

Table 2: Key performance indicators for 2017–18

100% R&D projects are funded in line with the AOP	100% R&D contracts are actively managed through regular and ongoing monitoring of the research
1800 RD&E newsletter subscribers	11 Regional Program partners
100% Export and Regional Wine Support Package activities are completed in line with the funding agreement	42 User-pays events hosted with wine sector partners to engage influencers in key markets
70 AGWA-funded events to engage influencers in key markets	74% Improvement in customer satisfaction rating for market insights services
300 Risk-based audits to reinforce a culture of compliance and help protect the reputation of Australian wine	33 Export Market Guides provide accurate information about import requirements for our largest export markets

Finance

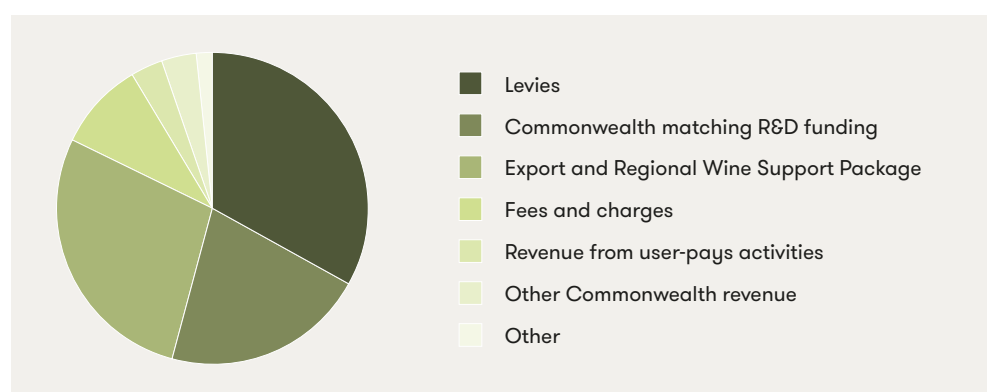
Estimates of revenue

For the financial year 2017–18, we estimate that proceeds from levies will amount to \$18.9 million, if a crop of 1.8 million tonnes is achieved. Australian Government matching contributions for RD&E funding for 2017–18 are estimated to be \$12 million. It is estimated that proceeds from fees and charges will total \$5.3 million and revenue from user-pays activities will be \$1.8 million. In the second year of the four-year Export and Regional Tourism Program, we anticipate receiving \$16 million from the Australian Government. Our estimates of this and other revenue are provided in Table 3. Figure 1 indicates the contribution of each revenue source to the total revenue of \$57 million.

Table 3: Estimates of revenue by source for 2017–18

Source	\$ million	%
Wine grapes levy	12.3	21.6
Grape research levy	3.6	6.3
Wine export charge	3.0	5.3
Australian Government matching R&D funding	12.0	21.1
Export and Regional Wine Support Package	16.0	28.1
Fees and charges	5.3	9.3
Revenue from user-pays activities	1.8	3.2
Other government revenue	2.1	3.6
Other revenue	0.9	1.5
Total revenue	57.0	100

Figure 1: Estimates of revenue by source for 2017–18



Estimates of expenditure

Our estimates of expenditure by activity for 2017–18 are shown in Table 4 and illustrated in Figure 2. Our expenditure by priority area is illustrated in Figure 3. These figures are indicative only, as changes in our operating environment may require us to vary the total expenditure of specific allocations. For the \$50 million Export and Regional Wine Support Package, we will receive \$16 million in 2017–18. The forecast funding shortfall of \$2 million is in line with our approved Department of Finance operating loss and will be funded from reserves. Our representative organisations will receive funding to support our objectives. In 2017–18, WFA will receive \$17,000 to support participation at the International Organisation of Wine and Vine (OIV) and AV will receive \$12,000 for consultation about research priorities. Appendix 2 contains a detailed breakdown of the R&D expenditure estimates against the Australian Government’s Science and Research Priorities (Table 5), and Rural Research and Development Priorities (Table 6).

Table 4: Estimates of expenditure by activity for 2017–18

Activity	\$ million	%
RD&E	25.3	43.0
Export and Regional Wine Support Package	16.0	27.1
Marketing – funded activities	7.6	12.8
Marketing – user-pays activities	2.4	4.1
Other expenditure	7.7	13.0
Total	59.0	100

Figure 2: Estimates of expenditure by activity for 2017–18



Figure 3: Estimates of expenditure by priority for 2017–18



A balanced portfolio

In developing our Strategic Plan, we conducted extensive consultations with our stakeholders. We sought to engage with the whole Australian grape and wine community so that everyone had the opportunity to contribute. Special efforts were made to ensure that the views of grapegrowers and winemakers around the country were heard, and there was an impressive level of engagement by stakeholders. To identify key research and market development priorities:

- face-to-face meetings were held with the AV Board and Executive, the WFA Board and Executive, the Department of Agriculture, a number of the top 20 wine producers, AWRI, and grapegrowers and winemakers in the Riverland, Murray Valley, Riverina and broader NSW
- facilitated workshops were conducted with RD&E providers, the Future Leaders Alumni, state and regional association representatives and Innovation Policy Committee members, and
- we invited written submissions and received 60 identifying future priorities and suggested areas of focus.

We have used the strategic research priorities of the Australian Government and the Australian grape and wine community garnered through these consultations to inform our investments. Appendix 2 contains a detailed breakdown of how our investments meet the Australian Government's priorities.

While two separate levies are paid, we do not differentiate between viticultural and winemaking research as the distinction is artificial – viticultural research often has a winemaking outcome and winemaking research often requires viticultural input. Instead, our value chain approach to RD&E investments is aimed at increasing the sector's long-term profitability and sustainability, which benefits all levy payers and the wider community. Our investments range from both short- and long-term applied R&D to blue-sky research where success is less assured.

We focus on extracting the full value of our investments in RD&E for the benefit of our levy payers, the Australian Government and the wider community.

Monitoring and evaluation

We are committed to providing quantifiable returns on wine sector and Australian Government investments across our portfolio of activities and we have a detailed system for the assessment of investment return.

We set clear measures of success in our Strategic Plan and our Annual Operational Plan, we measure our effectiveness in achieving these measures, and we report the outcomes in our Annual Report.

To measure our effectiveness, we:

- evaluate our performance against our Strategic Plan and our Annual Operational Plans
- evaluate investment proposals against clear and public criteria
- actively manage and review current projects and activities, and
- evaluate completed activities and programs of investment.

We will undertake BCAs of selected completed activities and programs. These analyses will measure the results of projects and outcome adoption rates, where relevant.

We are committed to continuous improvement and we will refine our processes and activities based on the outcomes of these evaluations.

Appendices

Appendix 1: Current RD&E projects

Strategy 3: Building Australian vine and wine excellence

3.1 Grapegrowing for excellence	
AGW Ph1607	Improving grapevine yield and wine quality through optimised vine nutrition and pruning
AWR 1601	Digital solutions for grape quality measures at the weighbridge
AWR 1602	Rotundone and its role in defining terroir in iconic Australian cool climate 'peppery' Shiraz
CRD 1601	Digital technologies for dynamic disease management
CSA 1601	New technologies for dynamic canopy and disease management
CSA 1602	New non-destructive technologies for simultaneous yield, crop condition and quality estimation
CSA 1603	Simple tools for spatial analysis – key enabling technologies for precision and digital viticulture
CSU 1501	Developing a phone-based imaging tool to inform on fruit volume and potential optimal harvest time
UA 1207	Optimising vine balance in Australian vineyards: developing a toolbox for industry to ensure best practice, sustainability and profitability
UQ 1601	LIDAR and PACE for vineyards
USA 1601	Use of unmanned air vehicles for early, real time detection of extreme weather events in vineyards
UT 1601	Taking grapevine yield forecasting into the digital age
3.2 Wine provenance and measures of quality	
AGW Ph1605	Alternative technology to modify and measure wine astringency, taste and quality
AWR 1501	Defining and exploiting the microbial genetic diversity of regionality and terroir
AWR 1503	Objective measures of Shiraz grape and wine quality in premium Australian vineyards
AWR 1505	Further development of origin verification tools using multi-elemental isotope ratio and trace elements
CSU 1602	Benchmarking regional and subregional influences on Shiraz fine wines
NWG 1401	Metal ion speciation: Understanding its role in wine development and generating a tool to minimise wine spoilage.
UA 1602	Understanding the drivers of terroir in the Barossa Valley
UT 1502	Building and measuring the quality of fine Australian sparkling wines, through identification of the impact compounds responsible for 'autolytic character' in sparkling wine, and novel winemaking technologies to hasten autolysis.
UT 1503	Pinot Noir provenance: Australian benchmarking to support growing, making, perception of quality, and marketing to add value to the Pinot Noir supply chain
3.3 Customer insights	
AGW 1508	Market and consumer insights to drive food value chain innovation and growth
AGW Ph1604	Locating terroir: understanding businesses' identification with their local environment, place and community, and how this influences wine purchasing decisions and corporate sustainability
UA 1601	The ties that bind: Building strong importer and retailer relationships to drive premium wine export sales
USA 1501	Driving the strategic growth of Australian wines in the US export market
USA 1602	Creating opportunity for Australian 'fine' wine in China
WOP 1401	The opportunities for further market share expansion of Australia's regional and premium price segment wines in the US market

Strategy 4: Improving resource management and sustainability

4.1 Climate adaptability	
AWR 1603	Mitigation of climate change impacts (smoke taint) on the national wine industry
CSP 1504	Evaluation of new technology and new scion-rootstock combinations for improved water use efficiency and reduced costs
CSP 1701	Adjusting grape berry ripening to suit a changing climate: plant growth regulator-based solutions
DPI 1202	Impact of elevated CO ₂ and its interaction with elevated temperature on production and physiology of Shiraz
UA 1304	Translation of 'whole-of-production-chain' wine science research to industry outcomes
UA 1502	Using in-canopy misters to mitigate the negative effects of heatwaves on grapevines
UA 1503	Epi-breeding – Using the epigenetic memory of stress to prime Australian grapevines for a changing environment
UT 1504	Australia's wine future: Adapting to short-term climate variability and long-term climate change
LTU 1601	Mitigation of climate change impacts (smoke taint) on the national wine industry
4.3 Sustainable resource management	
2XE 1501	Activity-based costing tool and benchmarking database development and extension project
CSP 1501	Grapevine germplasm variety identification
4.4 Biosecurity, pest and disease management	
AGW 1604	AGVET collaborative forum – plant industry investment prospectus (Phase 3)
SAR 1201	Developing a threat-specific contingency plan for the exotic pest angular leaf scorch
SAR 1601	Grapevine trunk disease management for vineyard longevity in diverse climates in Australia
SAR 1602	Improving the understanding of fungicide resistance in Australian viticulture

Strategy 5: Improving vineyard performance

5.1 Enhancing grapevine and rootstock performance	
CSP 1307	Fast phenomics: grapevine trait characterisation in the field
5.2 Efficient and sustainable vineyard management	
AGW 1602	Commonwealth grant - Accelerating precision agriculture to decision agriculture
AGW Ph1504	A low power flexible sensor network system for viticulture
AGW Ph1602	Microbial terroir: Understanding the importance of the soil-borne microbial community to Australian terroir
AWR 1502	Winemaking interventions to modulate glutathione status: effects on white wine quality
MQ 1401	Accurate and early yield predictions through advanced statistical modelling
UA 1701	Digital tools for canopy management to increase competitiveness

Strategy 6: Improving winery performance

6.1 Enhanced yeast and bacterial performance	
AGW Ph1603	Yeast strain construction using CRISPR/Cas9 mediated genome editing

Strategy 7: Enhancing market access

7.1 Market access	
WFA 1201	Market access impediments and opportunities for the Australian wine sector

Strategy 8: Building capability

8.1 Developing people	
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AGW 1605	2017 Future Leaders (Pragmatic Thinking)
AGW Ph1501	Bioprospecting the regional genetic diversity of Australian wine microbiota
AGW Ph1502	Genetic mechanisms that underpin chloride and sodium exclusion in grapevine germplasm
AGW Ph1503	Decoding the unique terroir of Australian wines using a multi-omics approach
AGW Ph1505	Process control of objective wine quality parameters during fermentation using novel simulation models
AGW Ph1507	A cross cultural study of the impact of Australian wines of provenance and food pairings on the consumer gastronomic experience
AGW Ph1508	Objective measures of sparkling wine quality
AGW Ph1509	Impacts of viticultural conditions and juice composition on the oxidative and reductive development of wine.
AGW Ph1510	Identification and understanding of <i>Saccharomyces</i> and <i>Oenococcus</i> interactions in co-inoculated cultures for development of robust inoculation pairs in wine fermentation.
AGW Ph1511	Developing <i>Botrytis cinerea</i> as a potent non-GM enzyme producer for the removal of haze-forming proteins under normal winemaking conditions
AGW Ph1512	Origin of varietal thiols: environmental and winemaking effects
AGW Ph1513	Autonomous in-vivo determination of maturity parameters
AGW Ph1601	Developing digital tools for canopy management
AGW Ph1606	Characterisation of the microbiome associated with grapevines and evaluation of endophytic microorganisms as biological control agents of grapevine trunk disease pathogens
GWR Ph1308	Isolation and characterisation of improved lactic acid bacteria strains for optimised malolactic fermentation performance
GWR Ph1316	Improved treatment of winery wastewater through a detailed microbial population analysis
GWR Ph1401	The impact of modes of climate on vineyard performance in Australia
GWR Ph1404	Measuring physical availability (distribution network) of alcoholic beverages categories in light of localisation trends in globalised markets.
GWR Ph1406	Production of lower alcohol wines PhD support
GWR Ph1408	Optimisation of an early harvest regime - Impact on grape and wine quality and content

Strategy 10: Extension and adoption

10.1 Extension and adoption	
CSU 1601	Information seeking and research adoption: assessing communication strategies

Appendix 2: RD&E expenditure estimates and Australian Government priorities

Table 5: Research, development and extension expenditure estimates 2017–18 across Science and Research Priorities

Wine Australia priorities and strategies	Science and Research Priorities			
	Food 1.1 \$000	Food 1.3 \$000	Environmental Change 8.3 \$000	Total \$000
Priority 1: Increasing demand and the premium paid for all Australian wines				
Strategy 3: Building Australian grape and wine excellence	478.2 (2.0%)	9928.3 (42.4%)		10406.4 (44.4%)
Priority 2: Increasing competitiveness				
Strategy 4: Improving resource management and sustainability	400.0 (1.7%)	1524.4 (6.5%)	2371.7 (10.1%)	4296.1 (18.3%)
Strategy 5: Improving vineyard performance		3615.1 (15.4%)		3615.1 (15.4%)
Strategy 6: Improving winery performance		18.3 (0.1%)		18.3 (0.1%)
Strategy 7: Enhancing market access	585.4 (2.5%)			585.4 (2.5%)
Strategy 8: Building capability			824.9 (3.5%)	824.9 (3.5%)
Strategy 9: Business intelligence and measurement		761.5 (3.2%)		761.5 (3.2%)
Priorities 1 and 2				
Strategy 10: Extension and adoption		2930.5 (12.5%)		2930.5 (12.5%)
Total	1463.6 (6.2%)	18778.1 (80.1%)	3196.6 (13.6%)	23438.3 (100.0%)

**Table 6: Research, development and extension expenditure estimates 2017–18
across Rural Research and Development Priorities**

Wine Australia priorities and strategies	Rural Research and Development Priorities				
	Advanced Technologies \$000	Biosecurity \$000	Soil, water and managing natural resources \$000	Adoption of R&D \$000	Total \$000
Priority 1: Increasing demand and the premium paid for all Australian wines					
Strategy 3: Building Australian grape and wine excellence	9325.2 (39.8%)		1081.2 (4.6%)		10406.4 (44.4%)
Priority 2: Increasing competitiveness					
Strategy 4: Improving resource management and sustainability	718.3 (3.1%)	853.1 (3.6%)	2724.7 (11.6%)		4296.1 (18.3%)
Strategy 5: Improving vineyard performance			3615.1 (15.4%)		3615.1 (15.4%)
Strategy 6: Improving winery performance	18.3 (0.1%)				18.3 (0.1%)
Strategy 7: Enhancing market access				585.4 (2.5%)	585.4 (2.5%)
Strategy 8: Building capability				824.9 (3.5%)	824.9 (3.5%)
Strategy 9: Business intelligence and measurement	300.0 (1.3%)			461.5 (2.0%)	761.5 (3.2%)
Priorities 1 and 2					
Strategy 10: Extension and adoption	335.0 (1.4%)			2595.5 (11.1%)	2930.5 (12.5%)
Total	10696.9 (45.6%)	853.1 (3.6%)	7421.0 (31.7%)	4467.4 (19.1%)	23438.3 (100.0%)

Appendix 3: Glossary

APEC	Asia-Pacific Economic Cooperation
BCA	benefit-cost analysis
CNCA	China National Certification and Accreditation
DFAT	Department of Foreign Affairs and Trade
EMEA	Europe, Middle East and Africa
EU	European Union
4D	four dimensional
FTAs	free trade agreements
FT-NIR	fourier transform near-infrared
GC/MS	gas chromatography/mass spectrometry
GI Committee	Geographical Indications Committee
LiDAR	light detection and ranging
OIV	International Organisation of Wine and Vine
PACE	Pesticide adjusted for the canopy environment
RD&E	research, development and extension
R&D	research and development
the Act	Australian Grape and Wine Authority Act 2013
the Code	Australia New Zealand Food Standards Code
UK	United Kingdom
US	United States of America
WWTG	World Wine Trade Group

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Australian Government

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