



Funding for research, innovation, extension and adoption (including AWRI)

Briefing paper

20 September 2024

Key points

- Wine Australia is accountable to levy payers and government and is committed to investments that drive sector profitability, resilience and sustainability.
- Wine Australia's performance review feedback has prompted changes to how its research and adoption portfolio is managed to increase transparency, return on investment and governance, and to maximise impact to the levy payers to whom it is accountable.
- Wine Australia and AWRI will continue to work closely together on grape and wine sector research and innovation under a recently agreed variation to our arrangements. This will further enable the national coordination of extension and adoption efforts by Wine Australia and provide better value to levy payers.
- Essential services provided by AWRI will continue to be fully supported by Wine Australia through levy funding.
- A new tranche of impact projects will be delivered by AWRI, to transition foundational research to practical solutions for the sector.

The role of Wine Australia

Wine Australia empowers the success of the Australian grape and wine sector across three key functions:

- Research, Innovation and Adoption to enhance global competitiveness, helping grape and wine businesses meet the challenges of tomorrow, today.
- Market Development to increase the demand and premium paid for Australian wine across all markets by expanding market and promotion opportunities for Australian wine.
- Regulatory Services to safeguard product integrity and uphold the sector's reputation by maintaining market confidence in the high standards expected of Australian wine.

Funded by the sector, for the sector, Wine Australia invests grapegrower, winemaker and exporter levies and user-pays charges, with matching funds from the Australian Government for research and innovation.

Wine Australia is a Commonwealth Government statutory authority established under the *Wine Australia Act 2013* with legislative obligations to fund research, innovation, extension and adoption to deliver benefit to the sector. Research priorities are identified through consultation with levy payers, and the government, to whom Wine Australia is accountable.



Australian Government

Wine Australia

We work alongside Australian Grape & Wine (AGW), as the prescribed industry body that advises on the priorities of the sector. These priorities are advocated through their extensive committee network, including the Research Advisory Committee (RAC), which plays a critical role in identifying research and innovation priorities and providing recommendations to Wine Australia.

With levy income reduced due to below average vintages in recent years, Wine Australia has focused on doing more with less – change that drives impact and value for the sector, supporting collective success by promoting profitability, resilience, and sustainability.

Supporting the sector’s changing needs through continuous improvement

Independent performance reviews are regularly conducted as a condition of Wine Australia’s statutory funding agreement. It is an uncomfortable truth that the past two performance reviews have found that most stakeholders surveyed struggled to identify how Wine Australia-funded research had benefitted them.

This feedback also reflects on the partners we work with, who have a role to play in extension and adoption. These partners, in turn, must be held accountable and to the same high standards as Wine Australia.

In response to the performance review, Wine Australia has made changes to the way the extension and adoption portfolio is managed and communicated to increase transparency and return on investment and improve governance.

Wine Australia’s primary accountability is to the grapegrowers, winemakers, exporters and government that fund it. The responsible expenditure of levy payer funds is not just a statutory requirement, but a moral imperative for a sector facing significant challenges.

Every dollar must be invested with transparency and accountability, with partners who have the necessary expertise and capability to deliver and, importantly, in developing practical adoption and commercialisation solutions that maximise the impact created by levy dollars.

This means nationally coordinating extension and adoption from Wine Australia and engaging the right partners for the right activities and projects to deliver maximum impact in those areas levy payers have identified as their key priorities.

In pursuit of a sustainable and successful grape and wine sector: Wine Australia and the AWRI

The Australian wine sector is fortunate to have a dedicated research institute in the AWRI, an organisation that has played an important role in developing key outcomes for the sector.



Australian Government

Wine Australia

Wine Australia and the AWRI share the same goal; a sustainable and successful grape and wine sector. Over many years, hundreds of millions of dollars have been invested with the AWRI in research and solutions to progress towards this objective. AWRI continues to play this role and continues to be the largest recipient of Wine Australia's research budget.

As the largest provider of research, development and adoption services, the performance review findings also reflect on AWRI's performance.

In June 2022, Wine Australia and the AWRI entered into a special four-year investment agreement designed to:

- maintain unique skills at the AWRI
- support rapid response to industry emergencies, and
- transition to new areas of future capability to support the Australian grape and wine sector.

Following below-average vintages in 2023 and 2024, and the clear need for change identified by the sector through the performance review process, we worked with AWRI to transition to new arrangements. These changes, which have now been agreed, include:

- protecting three highly valued extension and adoption services from vintage reduction, and continuing at the same level of support (based on a five-year average):
 - collecting and disseminating information on agrochemicals (the DogBook)
 - AWRI Helpdesk
 - Library services
- Working closely together on refreshed and coordinated communication activities, including the continuation of the AWRI's successful webinar series, Q&A events, podcasts, factsheets, e-bulletins and industry articles, which will continue to deliver timely communication and outcomes of research to the sector in partnership with other organisations across the portfolio.
- Restructuring the approach around in-person awareness raising events and roadshows and the removal of untargeted social media-based communications. These types of events and activities will continue to be provided to the sector, and they will be contracted through a competitive process on targeted strategic and nationally coordinated topics, in line with Wine Australia's response to the recommendations from its last performance review. AWRI will have every opportunity to apply.

A new tranche of impact projects was approved by the Wine Australia Board in June 2024, guided by the advice of the RAC. Impact projects focus on transitioning foundational research to practical solutions valued by the sector. AWRI has been approved to deliver these projects and Wine Australia has been seeking to finalise contracts since 1 July 2024.



Australian Government

Wine Australia

Contractual and funding arrangements can now progress, as the required project plans have been submitted to Wine Australia on 19 September.

Collaboration, coordination and accountability for the benefit of the sector

Wine Australia and AWRI exist to benefit the grape and wine sector and empower its success. By working together we can provide the innovation, commercialisation opportunities and information from research outcomes that levy payers rely on to overcome the significant hardship many are currently facing.

It is the role of Wine Australia to act in the best interests of levy payers, and to deliver increased value for money, impact and accountability. In a landscape where organisations must make difficult decisions, to do more with less money and to navigate shifting commercial, technical and environmental challenges, Wine Australia is not immune and leadership and strategic decision-making are critical for the sector.

Wine Australia has confidence in the world-class researchers and knowledge held by the AWRI, and that our partnership with them will continue to deliver research impact and knowledge sharing to support a profitable, resilient and sustainable sector.

A clear and transparent cycle of consultation, expert advice, investment decisions and review, through to the coordination of extension and adoption and research outcomes, keeps our organisations accountable to those funding us; the levy payers and government.