



Wine
Australia
for
Australian
Wine

COST RECOVERY IMPLEMENTATION STATEMENT (CRIS)

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1. Introduction

Cost recovery involves government entities charging individuals or non-government organisations some or all the efficient costs of a regulatory activity. This may include goods, services or regulation, or a combination of them. The Australian Government Charging Framework, which incorporates the Cost Recovery Guidelines (the CRGs)¹, sets out the framework under which government entities design, implement and review regulatory charging activities.

This Cost Recovery Implementation Statement (CRIS) provides information on how Wine Australia implements cost recovery for its regulatory activities. It also provides details of where financial and non-financial performance information for Wine Australia can be accessed and contains financial forecasts for the current year and three forward years.

2. Description of regulatory charging activity and cost recovery model

The Australian Grape and Wine Authority was established under the *Australian Grape and Wine Authority Act 2013*, subsequently renamed 'Wine Australia' and the '*Wine Australia Act 2013*' (Act) by the *Wine Australia Amendment Act 2017*.

Wine Australia may only charge for an *approved* regulatory charging activity.² Section 8(2)(g) of the Act gives Wine Australia power to charge export approval fees without gaining separate approval from the Australian Government.

The regulatory activities conducted by Wine Australia pursuant to the Act and *associated Wine Australia Regulations 2018* (Regulations) are:

- a. controlling the export of grape products from Australia as set out in the Regulations³, and
- b. administering the Label Integrity Program (LIP) described in Part VIA of the Act⁴.

Cost associated with these activities are recovered through charges paid by exporters of Australian wine relating to export licences, product approvals and shipping certificates.

A summary of Wine Australia's regulatory activities, outputs and charges is provided in Table 1.

3. Stakeholder engagement

Wine Australia engages its stakeholders in accordance with its [Regulatory Performance Framework](#). As part of this framework, Wine Australia surveys all licenced exporters annually to gauge satisfaction of its administration of its regulatory framework.

Before implementing any changes to its charging framework, Wine Australia consults directly with exporters and its representative body, Australian Grape and Wine Incorporated.

4. Financial estimates

The following table sets out the financial estimates for Wine Australia's regulatory charging framework for the next three years (financial years 2019–20, 2020–21 and 2021–22).

	Cost per application	Estimated quantity per annum	Estimated revenue
Licence renewals	\$700	3022	\$2,115,617

¹ The Australian Government Charging Framework and the CRGs are available on the Department of Finance website (www.finance.gov.au).

² Public Governance Performance and Accountability (Charging for Regulatory Activities) Order 2017, section 7 (1). Notwithstanding, this is consistent with legal advice received from the Australian Government Solicitor (AGS) on 7 October 2010 having regard to the relevant provisions of the *Wine Australia Corporation Act 1980* which are replicated in the *Wine Australia Act 2013*.

³ This regulatory activity also includes ensuring that wines exported out of Australia comply with the blending rules pertaining to vintage, variety and geographical origin, and that they comply with the Australia New Zealand Food Standards Code

⁴ The purpose of the Label Integrity Program is to help ensure the truth and the reputation for truthfulness of statements made on wine labels, or made for commercial purposes in other ways about the vintage, variety and geographical indication of wine manufactured in Australia.

	Cost per application	Estimated quantity per annum	Estimated revenue
New licences – levy payers	\$700	120	\$84,000
New licences – non-levy payers	\$1084	780	\$845,520
Product approval application fee – packaged	\$28	18,020	\$504,560
Product approval application fee – bulk	\$62	2032	\$125,984
Non-WALAS user – shipping application fee	\$48	823	\$39,504
WALAS user – shipping application fee	\$25	58,389	\$1,459,725

5. Financial and non-financial performance

Wine Australia's performance pertaining to its regulatory activities, both financial and non-financial, are reported annually in its [Annual Report](#).

6. Risk

In accordance with the Australian Government's Cost Recovery Guidelines, Wine Australia must self-assess the risks associated with materiality, complexity and sensitivity for any new or amended cost recovered activity as part of the policy proposal process or operational change. If required to do so, Wine Australia will use the Department of Finance's Cost Recovery Risk Assessment (CRRRA) template and agree the risk rating with the Department of Finance

7. CRIS approval and change register

Date of CRIS change/approval	Details	Approver	Notes
26 April 2019	Approved by resolution	Wine Australia Board	nil

8. Glossary

"Act" means the *Wine Australia Act 2013*

"Regulations" means the *Wine Australia Regulations 2018*

"Code" means the *Australia New Zealand Food Standards Code*

"LIP" means the *Label Integrity Program* established by part VI of the *Wine Australia Act 2013*

"WALAS" means the *Wine Australia's Licensing and Approval System*

Table 1 – Summary of regulatory activities, outputs, processes and charges 2018–19

	Regulatory activity	Outputs	Process of the activity	Regulatory charges	Cost	Quantity per annum (approx.)
Export licences	Wine Australia makes decisions about whether to grant, suspend or cancel licences to export grape products from Australia in accordance with Part 3, Division 2 of the Regulations.	In considering eligibility to hold licences to export grape products from Australia, Wine Australia has regard to the matters set out in section 9(3) and 13 of the Regulations which include (without being limited to): <ul style="list-style-type: none"> • whether the applicant is a fit and proper person • whether the Wine Export Charge is due and payable • whether a licensee exports a grape product in contravention of the Act or Regulations • any matters relating to the applicant that might adversely affect the export trade in grape products, and • any other matter relating to the promotion of the export of grape product. 	Compliance with the Label Integrity Program is monitored through the exercise of monitoring powers under section 39ZC of the Act and requests for records in accordance with section 39ZAA of the Act.	Export licence application fee	\$700pa	2644
			Offences relating to the sale, export or import of wine with false or misleading description and presentation is monitored through risk-based inspections.			
			Compliance with conditions of export are monitored through WALAS.		Non-levy payer first year – \$1084pa	877
			Revocation and refusal of applications for export approval are monitored through WALAS.			
Product inspections and approvals	<p>Wine Australia makes decisions about whether to approve, refuse, suspend or revoke approval of grape products for export in accordance with Part 3, Division 3 of the Regulations.</p> <p>Wine Australia makes decisions about whether the description and presentation of grape products is false or misleading for the purposes of sections 40C and 40E of the Act.</p> <p>Wine Australia makes decisions about whether record keepers have complied with the LIP.</p>	To grant approval of grape products for export, Wine Australia must be satisfied that the grape product complies with the Code (or that the ways in which the product does not comply will not compromise the reputation of Australian grape products).	Compliance with the Code is monitored through WALAS and through risk-based collection of samples tested for compliance with the Code.	Product approval application fee	Bulk - \$62 per application	1763
		Wine Australia must be satisfied that the description and presentation of the grape product is appropriate having regard to requirements of the Act, other Australian laws and the laws of other countries.	The description and presentation of wine is assessed for compliance through: <ul style="list-style-type: none"> • inspections of labels and LIP documentation as a precursor to granting product approval • LIP inspections. 			
		Wine Australia may cancel or suspend licences to export grape products from Australia, apply for injunctions to prevent the sale of non-compliant products, and may pursue criminal penalties for breaches of the Act.	<ul style="list-style-type: none"> • Risk based inspections of labels are conducted to satisfy Wine Australia that the description and presentation of the grape products are appropriate. • Offences relating to the sale, export or import of wine with false or misleading description and presentation are monitored through risk-based inspections. • Compliance with the Label Integrity Program is monitored through the exercise of monitoring powers under section 39ZC of the Act and requests for records in accordance with section 39ZAA of the Act. 		Packaged – \$28 per application	17,548
Shipping approval	Wine Australia makes decisions about whether to issue, refuse or revoke export certificates (shipping approval) in accordance with Part 3 of Division 4 of the Regulations.	Wine Australia must be satisfied that a consignment of a grape product has been approved.	Approval status of grape products is monitored through WALAS.	Shipping approval application fee	Non-WEA user – \$48 per application	900
		Wine Australia must refuse to issue as export certificate if it reasonably believes that the grape product cannot lawfully be sold in the country to which it is to be exported.	Requests for information are made to verify that laws pertaining to the description and presentation of grape products have been complied with.		WEA user – \$25 per application	58,065