



**Australian Government**

**Wine Australia**

## **2018-2019 Self-Assessment Report**

### **Regulator Performance Framework**

#### **Introduction**

Wine Australia is the single Australian Government statutory service body for the Australian grape and wine community.

We support a prosperous Australian grape and wine community by investing in research and development (R&D), building the international and domestic markets, disseminating knowledge, encouraging adoption and protecting the reputation of Australian wine.

We are governed by the *Wine Australia Act 2013* (the **Act**).

Our role as a regulator is to:

- administer the Label Integrity Program established under Part VIA of the Act, and
- control the export of wine from Australia.

The Australian Government Regulator Performance Framework (**RPF**) encourages regulators to undertake their function with the minimum impact necessary to achieve regulatory objectives and to effect positive ongoing and lasting cultural change within regulators'.<sup>1</sup>

Wine Australia's self-assessment for 2018-19 assesses performance against the six key performance indicators agreed by the Australian Government.

Wine Australia's self-assessment is required to be validated externally. The Minister has approved external validation by the Wine Industry Technical Advisory Committee of Australian Grape and Wine Incorporated.

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<sup>1</sup> Regulator Performance Framework, p4

[https://www.cuttingredtape.gov.au/sites/default/files/files/Regulator\\_Performance\\_Framework2.pdf](https://www.cuttingredtape.gov.au/sites/default/files/files/Regulator_Performance_Framework2.pdf)

## Key Performance Indicator 1

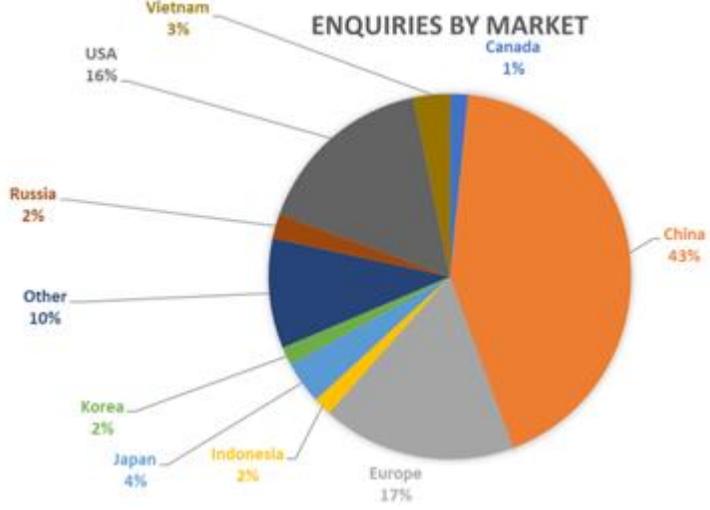
### Regulators do not unnecessarily impede the efficient operation of regulated entities.

Performance Measures	Evidence	Wine Australia Performance
1. Demonstrated understanding of the operating environment for the regulated entities	<p>A. Most of our winery inspectors hold relevant wine sector qualification and are experienced operators in the industry.</p> <p>B. The proportion of total winery inspections conducted during the harvest period is minimised.</p>	<p>A. All Label Integrity Program (LIP) inspectors hold relevant wine sector qualifications. Seven members of the Regulatory Services team have degrees in Oenology and all inspectors and managers are experienced operators in the wine sector.</p> <p>B. The annual inspection schedule is devised in accordance with the principles set out in the Wine Australia Regulatory Services Quality Manual which uses risk to determine inspection frequency.</p> <p>The Australian grape harvest usually occurs between January and April (inclusive) however there is significant regional variation. During the assessment period, we avoided inspecting wineries where possible and instead conducted 11 inspections of contract packaging facilities. There were 24 inspections of wineries between January and April (inclusive). 13 of the 24 wineries were in Tasmania and those inspections were conducted prior to harvest beginning. The other winery inspections involved inspecting records being made upon fruit being delivered to wineries and were conducted in such way that avoided interruption.</p> <p>Accordingly, less than 5 per cent of visits during the assessment period occurred during harvest.</p>
2. Implement strategy to reduce the costs of compliance for our stakeholders	<p>A. Documented approaches to other regulators to harmonise regulatory activities.</p> <p>B. Minutes of meetings / teleconferences with international regulators discussing global initiatives that could be adopted domestically.</p>	<p>A. During the assessment period, Wine Australia engaged with Australian and international regulators to identify opportunities to harmonise regulatory activities.</p> <p>B. Domestically, Wine Australia engaged with the Department of Agriculture in relation to the Export Control Orders in which they administer (which apply to the export of organic and biodynamic grape products), and with Australian Border Force to explore opportunities for collaboration in relation to LIP inspections at Australian ports.</p> <p>C. Internationally, Wine Australia worked closely with stakeholders through: <ul style="list-style-type: none"> <li>• the <b>Asia-Pacific Economic Cooperation Wine Regulatory Forum</b> (which promotes harmonisation of wine export/import certificates across APEC economies)</li> <li>• the <b>World Wine Trade Group</b></li> <li>• the <b>International Wine Technical Summit</b> (hosted by the Wine Institute of California)</li> <li>• International wine trade organisation, FIVS, and</li> <li>• the <b>International Organisation of Vine and Wine</b> (the OIV).</li> </ul> </p> <p>D. Minutes of all international regulator meetings / teleconferences maintained where appropriate.</p>
3. Efficient and effective Wine Australia business processes developed in order to minimise potential for unintended negative consequences for regulated entities	<p>A. Satisfaction with Wine Australia on-line systems for submitting and managing export applications.</p> <p>B. Legislated timeframes for decisions are met.</p>	<p>A. Satisfaction was assessed via a stakeholder survey incorporating responses from exporters.</p> <p>The export component of the survey consisted of seven questions relating to the overall quality of export assistance, responsiveness to questions and concerns, availability of information, satisfaction with the online WEA system and any other comments.</p> <p>Data from 638 respondents was collected. Most exporters (nine in ten) reported that finding information about the export process was very or somewhat easy. Exporters reported strong satisfaction with the level of service provided</p>

<i>Performance Measures</i>	<i>Evidence</i>	<i>Wine Australia Performance</i>
	<p>C. Minutes of meetings of the Wine Industry Technical Advisory Committee show that proposed changes to policies and procedures are discussed prior to implementation.</p>	<p>by the Wine Australia Export Assistance team. 92% of exporters rated their satisfaction with the level of service provided by Wine Australia's Export Assistance team at 6 out of 10 or higher. 83% of exporter stakeholders rated the WEA system as being easy to use, rating it 7.5 out of 10 or higher. The feedback around the use of the Export Market Guides indicated that the exporters were satisfied with the Guides as providing trusted and helpful information.</p> <p>Suggestions were made as to areas which exporters thought Wine Australia could provide additional services or offer additional support to exporters. For example, suggestions were made to increase software functionality such as an online approval system and offer a wider language support such as Chinese language services. Wine Australia will shortly be launching a new export approval system which will address this issue of software functionality. During the assessment period, Wine Australia employees two Mandarin speaking export assistance officers and developed guidance material in Mandarin. Wine Australia is continuing to increase the information available to exporters in Mandarin.</p> <p>B. In 2018-19 the Export Assistance team met set turn-around times for export documentation. The turnaround times were faster than the legislated timeframes throughout the assessment period.</p> <p>C. There were no changes to policies or procedures during the assessment period tat warranted discussion at the Wine Industry Technical Advisory Committee.</p>

**Key Performance Indicator 2**

**Communication with regulated entities is clear, targeted and effective**

Performance Measures	Evidence	Wine Australia Performance																				
<p>1. The provision of timely, clear, accessible and concise guidance and information on regulatory matters</p>	<p>A. Satisfaction with the quality and availability of Wine Australia information and guidance materials.</p> <p>B. Website content is reviewed by the nominated review date to ensure accuracy.</p> <p>C. Number of hits to the Wine Australia website.</p>	<p>A. Most exporters (nine in ten) reported that finding information about the export process was very or somewhat easy.</p> <p>B. During the assessment period, website content was reviewed as required to ensure it is up to date. Export Market Guides were reviewed in accordance with a review schedule and new information was communicated to exporters via Wine Australia’s Exporter Newsletter.</p> <p>C. On average, the regulatory pages received an average of 13,259 page views and 9,749 visits per month.</p> <p>D. All technical questions answered by the Label Integrity Program (LIP) Inspectors are recorded. On average, the LIP Inspectors answer 1500 such questions per year. This assist Wine Australia in identifying market access issues and developing new information for newsletters and for the website.</p> <p>During the assessment period, 69 per cent of enquiries related to overseas markets, and the rest related to the domestic market.</p> <p>The following chart illustrates the overseas markets to which technical enquiries related during the assessment period.</p>  <table border="1" data-bbox="1070 790 1780 1300"> <caption>ENQUIRIES BY MARKET</caption> <thead> <tr> <th>Market</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>China</td> <td>43%</td> </tr> <tr> <td>Europe</td> <td>17%</td> </tr> <tr> <td>USA</td> <td>16%</td> </tr> <tr> <td>Other</td> <td>10%</td> </tr> <tr> <td>Vietnam</td> <td>3%</td> </tr> <tr> <td>Indonesia</td> <td>2%</td> </tr> <tr> <td>Korea</td> <td>2%</td> </tr> <tr> <td>Japan</td> <td>4%</td> </tr> <tr> <td>Canada</td> <td>1%</td> </tr> </tbody> </table>	Market	Percentage	China	43%	Europe	17%	USA	16%	Other	10%	Vietnam	3%	Indonesia	2%	Korea	2%	Japan	4%	Canada	1%
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<i>Performance Measures</i>	<i>Evidence</i>	<i>Wine Australia Performance</i>
2. Satisfaction with the quality of advice relating to Wine Australia decisions and assistance.	<p>A. Satisfaction with the quality of assistance during the export approval process.</p> <p>B. Customer service standards met.</p>	<p>A. Assessed via the stakeholder survey. Please see above.</p> <p>B. Customer service standards reinforced by Managers within the Regulatory Services Team and turnaround times are monitored daily.</p> <p>Expected timeframes are detailed on our website at <a href="https://www.wineaustralia.com/selling/further-information/regulatory-services">https://www.wineaustralia.com/selling/further-information/regulatory-services</a>.</p> <p>On that page, there is information available about how stakeholders can make suggestions or comments if they are unhappy with the way a regulatory matter is handled. No complaints were received in accordance with the process set out on the website during the reporting period.</p>
3. Satisfaction with Wine Australia consultative processes.	<p>A. All new, and any significant changes to, operational policies or guidelines provided to relevant stakeholders for consultation prior to finalisation.</p> <p>B. Satisfaction from key industry stakeholders about the quality of Wine Australia consultation.</p>	<p>A. Consultation occurred during assessment period in relation to the strategic direction of Wine Australia's regulatory activities (as part of strategic planning consultations) and the Wine Label Intellectual Property Directory.</p> <p>B. The CEO of Wine Australia's declared representative body Australian Grape and Wine Incorporated (AGW) indicated that AGW considered Wine Australia's consultation processes in relation to changes in policy framework pertaining to its regulatory activities during the assessment period to be outstanding.</p>

### Key Performance Indicator 3

#### Actions undertaken by regulators are proportionate to the regulatory risk being managed

<i>Performance Measures</i>	<i>Evidence</i>	<i>Wine Australia Performance</i>
1. Risk management frameworks and policies are in place and regularly reassessed	<p>A. Risk framework applied to decision-making is accessible to regulated entities.</p> <p>B. Risk framework reviewed every three years</p>	<p>A. The regulatory services risk framework is outlined in the Regulatory Services Quality Manual under the Auditing Principles section. This document is available for download to all regulated entities via the Wine Australia website.</p> <p>B. The Regulatory Service Quality Manual is reviewed annually as per the set document review schedule.</p>
2. Lower regulatory effort is applied to activities of lower regulatory risk	<p>A. Annual inspection schedule devised in accordance with the risk management policy.</p> <p>B. All allegations of non-compliance investigated according to Wine Australia enforcement strategy.</p> <p>C. Feedback collected from audited entities following each audit.</p>	<p>A. During the assessment period, the inspection schedule was devised in accordance to risk management principles articulated in the Quality Services Manual.</p> <p>B. Incidents of non-compliance are discussed by the Regulatory Services team before determining the course of action. Unless there is a serious threat posed to the reputation of Australian wine or non-compliance has occurred as a result of reckless or intentional action, Wine Australia seeks to rectify the non-compliance in such way that is commercially sensible, and to ensure the non-compliance does not reoccur. During the assessment period, 44 non-compliances were detected.</p> <p>C. Record keepers inspected during the assessment period were given the opportunity to respond to a satisfaction survey. Of the 18 respondents, 83 per cent indicated that were very satisfied with their inspection, 94 per cent agreed that they received sufficient notice of the audit and 94 per cent agreed that the audit did not take more than two hours. 77 per cent indicated they would be likely to contact Wine Australia LIP team if regulatory assistance was required in the future.</p>
3. Compliance and enforcement strategies are consistent with agreed risk management policies	<p>A. Compliance and enforcement strategy accessible to regulated entities.</p> <p>B. Policy for determining inspection schedules accessible to regulated entities.</p>	<p>A. Wine Australia's compliance and enforcement strategy is outlined in the Regulatory Services Quality Manual, in Wine Australia's strategic plan, and in annual operational plans which are available to on Wine Australia's website.</p> <p>B. The Quality Manual also outlines the risk-based policy for determining the inspection schedule.</p>

## Key Performance Indicator 4

### Compliance and monitoring approaches are streamlined and coordinated

Performance Measures	Evidence	Wine Australia Performance
1. Monitoring and enforcement strategies allow for a range of regulatory responses.	A. All allegations of non-compliance risk assessed within five days.	A. During the reporting period, all incidents of non-compliance were assessed within five days. Most incidents of non-compliance are assessed within 24 hours – with follow up occurring by way of requests for additional information to further establish the extent of the non-compliance and to inform regulatory response.  Inspectors log instances of non-compliance and record the relevant regulatory response which in most cases is of a corrective nature.
2. Information requests are designed to minimise impact on business.	A. The duration of each audit is recorded, and average time will not exceed two hours.  B. Number of compliance activities conducted jointly with other regulators.	A. The commencement time for each inspection is recorded on the inspection consent form. Inspections should not exceed two hours unless they are particularly complex, or if the relevant entity has a history of non-compliance that results in the need for extensive inspection of records.  As indicated above, 94 per cent of Label Integrity Program survey respondents agreed that the audit did not take more than two hours. Any inspections exceeding two hours are noted in the inspection database with the reason.  B. No joint inspections were conducted in 2018/19. Because LIP inspections are conducted via coercive and compulsory powers, the information gathered carries with it a high level of confidentiality. This makes joint inspections difficult. Wine Australia is investigating the viability of conducting joint LIP inspections with Australian Border Force at Australian ports to ensure labels provided electronically to Wine Australia are the same as those being affixed to bottles.
3. Information requested from regulated entities is necessary and acted upon.	A. Licence applications include minimum data collection necessary to ensure legislated criteria can be assessed.  B. Unless identified as high-risk entity, requests for audits of product information are restricted to no more than three per occasion.	A. During the assessment period, licence applications required the provision of the minimum amount of information necessary for Wine Australia to decide whether to grant the licence, and to sufficiently identify the applicant.  Information was only requested under section 16 of the Wine Australia Regulations 2018 where Wine Australia had a legitimate concern that the description and presentation of a product might not be appropriate (of which it must be satisfied before approving a product for export).  Information was only requested under section 19 of the Wine Australia Regulations 2018 where Wine Australia had a legitimate reason to suspect that an export certificate for a consignment of wine destined for export from Australia should not be granted.  Information was only requested under section 39ZAA of the <i>Wine Australia Act 2013</i> where Wine Australia had a legitimate reason to suspect that LIP obligations may not have been met.  Information was only requested under section 12 of the Wine Australia Regulations 2018 where Wine Australia had a legitimate concern that a licensed exporter might not be eligible to hold a licence to export grape products from Australia.  Only essential analytical information was collected in relation to a product at the time of export to allow the provision of the relevant import documentation, and to satisfy Wine Australia that the product is sound and merchantable, and that it complies with the Australia New Zealand Food Standards Code.  B. Inspections focussed on no more than three products unless the record keeper was considered high-risk or had a history of non-compliance.

**Key Performance Indicator 5**

**Regulators are open and transparent in dealing with regulated entities**

<i>Performance Measures</i>	<i>Evidence</i>	<i>Wine Australia Performance</i>
1. Guidelines for ensuring compliance with legislated requirements are published.	<p>A. Guidelines include Wine Australia’s expectations of what regulated entities should do in order to comply with legislated obligations.</p> <p>B. Content and aggregate results of our customer service survey are published annually.</p> <p>C. Performance against regulator performance framework published annually.</p>	<p>A. Wine Australia publishes and maintains the ‘Regulatory Services Compliance Guide’, which details the legislated obligations of regulated entities. This document covers all aspects of the Act and Regulations, the Label Integrity Program and the export process. Information and additional links are given to direct regulated entities to original documents and further information. The document is updated as necessary and reviewed fully every year. The Regulatory Services team is also available to answer any additional questions that may arise.</p> <p>Wine Australia also publishes compliance related information on its website and disseminates it through its exporter newsletter and various printed guidance information that it provides to record keepers.</p> <p>B. The results of the stakeholder survey have been published on the Wine Australia website. Please see KPI 1.3.A for a summary of stakeholder survey outcomes.</p> <p>C. This report will be published on the Wine Australia Website under the Corporate Documents section.</p>
2. Feedback mechanisms are in place and used to improve service to regulated entities.	<p>A. Results of stakeholder survey and LIP inspection feedback process are presented to management team twice a year for review and adoption into annual planning process.</p>	<p>A. Wine Australia’s communications team disseminates survey results.</p>

## Key Performance Indicator 6

### Regulators actively contribute to the continuous improvement of regulatory frameworks.

<i>Performance Measures</i>	<i>Evidence</i>	<i>Wine Australia Performance</i>
1. Stakeholder engagement in implementing regulatory frameworks	<p>A. Documented stakeholder consultation procedures in place.</p> <p>B. All significant changes to Wine Australia regulatory frameworks follow stakeholder consultation.</p> <p>C. Significant changes to policies and procedures will be communicated to regulated entities via a two-stage process of interim, followed by final, determinations</p> <p>D. Regular contact with regional wine grape grower and wine producer associations.</p>	<p>A. Wine Australia maintains a stakeholder consultation plan which is available on its website. Through its Regulatory Performance Framework and its Cost Recovery Implementation Framework, it is required to consult with key stakeholders in relation to regulatory changes.</p> <p>B. Wine Australia maintains regular contact with its Representative Body, Australian Grape and Wine, in relation to regulatory and market access issues.</p> <p>C. LIP inspectors contact regional associations when they travel to a wine region to maintain contact in relation to regulatory issues.</p>
2. Engagement with the Department of Agriculture on the development or amendment of regulatory frameworks.	A. All proposals for substantial reform of Wine Australia's regulatory approach will be reviewed by the policy department of the Department of Agriculture.	A. It is a requirement that all major policy reforms are reviewed by the Department of Agriculture.