

## Statement of intent

The Government's vision is for Wine Australia to be a high performing and responsive corporate Commonwealth entity that implements a principles-based regulatory framework in a way that reduces compliance costs for business whilst protecting the reputation of Australian wine.

Wine Australia acknowledges that the regulatory framework it implements should be fit-for-purpose and implemented in a way that reduces the regulatory burden on individuals, business, community organisations and customers. In this context, the Government has issued a Statement of Expectations for Wine Australia, which outlines the Government's expectations of the role and responsibilities of Wine Australia. The Statement of Expectations is available [here](#).

This Statement of Intent responds to the Government's Statement of Expectations for Wine Australia and includes reference to the Regulator Performance Guide (the Guide). Wine Australia's Statement of Intent includes quantitative and qualitative information as well as examples that outline specific actions that relate to Wine Australia's performance against each of the three principles set out in the Guide and the Statement of Expectations.

### Our role

Wine Australia is established in accordance with the *Wine Australia Act 2013* (Act). Wine Australia's objects include to control the export of grape products from Australia in accordance with Part 3 of the *Wine Australia Regulations 2018* (Regulations) and to enable Australia to fulfil its obligations under prescribed wine trading agreements. The latter of these two objects give rise to Wine Australia's obligation to maintain the Register of Protected Geographical Indications and Other Terms, and to administer the Label Integrity Program (LIP) established by Part VIA of the Act.

The regulatory activities conducted by Wine Australia pursuant to the Act and Regulations are:

- a) controlling the export of grape products from Australia as set out in the Regulations - 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 (Code); and
- b) administering the LIP described in Part VIA of the Act - the purpose of the LIP 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.

A description of Wine Australia's regulatory activities, outputs and processes are listed in Table 1.

## Deregulation agenda and statement of expectations

Wine Australia notes the Government's deregulation agenda and commits to acting in accordance with regulatory best practice in decision making, operational practices, and communications to ensure effectiveness and efficiency. Wine Australia is committed to the Government's deregulation agenda and delivering the Government's Statement of Expectations. Wine Australia's response is set out after Table 1.

As part of its Deregulation Agenda, in mid-2021 the Australian Government replaced the Regulator Performance Framework (RPF) with three principles of regulator best practice contained in the Guide. How Wine Australia meets these three principles is set out in Table 2.

**Table 1: Regulatory activities, outputs and processes**

Regulatory activity	Outputs	Process of the activity
<p><b>Export licences</b></p> <p>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.</p>	<p>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):</p> <ul style="list-style-type: none"> <li>• whether the applicant is a fit and proper person;</li> <li>• whether the Wine Export Charge is due and payable;</li> <li>• whether a licensee exports a grape product in contravention of the Act or Regulations;</li> <li>• any matters relating to the applicant that might adversely affect the export trade in grape products; and</li> <li>• any other matter relating to the promotion of the export of grape product.</li> </ul>	<p>Compliance with the LIP 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.</p> <hr/> <p>Offences relating to the sale, export or import of wine with false or misleading description and presentation is monitored through risk-based inspections.</p> <hr/> <p>Compliance with conditions of export is monitored through Wine Australia's Licensing and Approval System (WALAS).</p> <hr/> <p>Revocation and refusal of applications for export approval are monitored through WALAS.</p>
<p><b>Product inspections and label approvals</b></p> <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>	<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).</p> <p>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.</p> <p>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.</p> <p>Wine Australia must maintain a Label Directory as referred to in the Regulations and must ensure that labels are provided in relation to packaged product prior to granting an export certificate for the relevant consignment.</p>	<p>Compliance with the Code is monitored through WALAS and through risk-based collection of samples tested for compliance with the Code.</p> <hr/> <p>The description and presentation of wine is assessed for compliance through:</p> <ul style="list-style-type: none"> <li>• inspections of labels and LIP documentation as a precursor to granting product approval; and</li> <li>• LIP inspections.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Risk based inspections of labels are conducted to satisfy Wine Australia that the description and presentation of the grape products are appropriate;</li> <li>• offences relating to the sale, export or import of wine with false or misleading description and presentation are monitored through risk-based inspections; and</li> <li>• compliance with the LIP 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.</li> </ul>
<p><b>Shipping approval</b></p> <p>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.</p>	<p>Wine Australia must be satisfied that a consignment of a grape product has been approved.</p> <p>Wine Australia must refuse to issue an export certificate if it reasonably believes that the grape product cannot lawfully be sold in the country to which it is to be exported.</p>	<p>Approval status of grape products is monitored through WALAS.</p> <p>Requests for information are made to verify that laws pertaining to the description and presentation of grape products have been complied with.</p>

## Statement of intent

- Wine Australia is committed to fulfilling its regulatory functions in a way that upholds the reputation of Australian wine whilst balancing the need to facilitate efficient export systems and processes and minimising the imposition of unnecessary costs on Australian wine producers.
- Wine Australia is committed to engaging meaningfully with Australian Grape & Wine (AGW) as well as the relevant state, territory and regional representative bodies, the Department of Agriculture, Water and the Environment (DAWE), IP Australia, and any other export and intellectual property regulators and policy agencies at the Commonwealth or State levels as necessary to achieve Wine Australia's objectives.
- Wine Australia is committed to engaging in consultation and communication with the bodies listed above to be conducted on an ongoing basis to ensure that Wine Australia's regulatory activities are effective and efficient in delivering against intended outcomes, and that their input is recognised by Wine Australia and addressed in a timely and transparent way.
- Wine Australia's regulatory obligations are delivered in accordance with the principles of best practice regulation as outlined in the Guide (including continuous improvement and building trust, risk based and data driven and collaboration and engagement). This includes responding to independent reviews in a way that addresses underlying issues and improves effectiveness and efficiency.
- Wine Australia is committed to ensuring its regulatory processes remain effective and efficient. Where appropriate, Wine Australia implements alternative methods of ensuring compliance (such as education or information campaigns) to reduce the regulatory burden and costs to stakeholders.
- Wine Australia operates with transparency and accountability. Where charging arrangements are in place, Wine Australia ensures it documents and reports key information about the activity in a manner consistent with the Australian Government Charging Framework and the Cost Recovery Guidelines.
- Wine Australia is committed to reducing compliance costs within the context of its regulatory obligations and continues to review its policies and procedures regularly to ensure it considers the impact on business and the community.

**Table 2: Implementation of principles and measures of success**

Principle	Implementation of Principles	Measure of Success
<p><b>Principle 1</b>  <b>Continuous improvement and building trust</b> – regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture to build trust and confidence in Australia’s regulatory settings.</p>	<ul style="list-style-type: none"> <li>• Monitoring of stakeholder satisfaction through the annual stakeholder survey.</li> <li>• Implementation of a consultation plan that has been developed in accordance with <i>Best Practice Guide to Stakeholder Consultation – Wine Australia</i>.</li> <li>• Maintenance of a Customer Engagement Plan.</li> <li>• Ongoing interaction with international fora.</li> <li>• The undertaking of an annual review of the cost recovery statement.</li> <li>• The development and implemented documented stakeholder consultation procedure.</li> <li>• Significant changes to the regulatory frameworks follow stakeholder consultation.</li> <li>• Significant changes to policies and procedures are communicated to regulated entities via a two-stage process of interim, followed by final, determinations.</li> <li>• Regular contact with regional wine grape grower and wine producers’ associations occurs.</li> <li>• Maintaining the Wine Australia Licensing and Compliance Guide (<b>Compliance Guide</b>).</li> <li>• Engagement with AGW as the declared representative under the Act to test suitability of the current regulatory environment.</li> <li>• Egregious breaches are investigated and publicised.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintaining WALAS guaranteeing that composition and label descriptors are automatically verified to ensure compliance with the Code and labelling laws set out in the Act.</li> <li>• Results of annual customer survey indicates the sector has confidence in Wine Australia’s regulatory framework, that exporting resources provide sufficient and relevant information, and that customers receive the desired level of customer service from Wine Australia’s team.</li> <li>• Customer Engagement Plan is maintained by Management and captures best practice governance pertaining to customer engagement.</li> <li>• Overarching Consultation Plan and <i>Best Practice Guide to Stakeholder Consultation – Wine Australia</i> maintained on Wine Australia’s corporate website.</li> <li>• Wine Australia’s Compliance Guide is regularly updated and published with exporters being notified via exporter updates and the Wine Australia website.</li> <li>• Regular stakeholder consultations occur prior to changes to the regulatory framework.</li> <li>• Meaningful and regular meetings are held with AG&amp;W resulting in a strong relationship.</li> <li>• Media releases are issued, and articles published nationally as to egregious breaches of the Act to deter individuals from failing to comply with the Act and potentially compromises the upholding of the reputation of Australian wine.</li> </ul>
<p><b>Principle 2</b>  <b>Risk based and data driven</b> – regulators manage risks proportionately and maintain essential safeguards while minimising regulatory burden, and leveraging data and digital technology to support those they regulate to comply and grow.</p>	<ul style="list-style-type: none"> <li>• Maintenance of Wine Australia’s risk registry and risk framework.</li> <li>• Board meetings carried out to review risk policy and framework and set risk tolerance.</li> <li>• Encouragement of innovation in data and digital space in the administration of Export Controls and Label Integrity Program (LIP) for example the Wine Australia Licensing &amp; Approval System (WALAS).</li> <li>• Demonstrated willingness to engage in activities that seek to harmonise trade with trading partners and other domestic regulators.</li> <li>• Maintenance of WALAS and development of LIP.</li> <li>• Maintenance of Wine Watch - an online anonymous reporting tool with Wine Australia investigating all alleged non-compliances reported to it.</li> <li>• Inspections are based on risk profile of having regard to supply and demand issues in specific regions and with certain grape varieties.</li> <li>• Additional information is requested from high-risk exporters (using digital technology such as WALAS to identify such exporters).</li> <li>• Implementing an analysis program which involves random analytical testing conducted to ensure and verify compliance with the Code and to identify potential market access risks.</li> <li>• New and emerging regulatory risks are identified through maintenance of an enquiry register.</li> <li>• Maintenance of the exporter news which provides for regular communication to exporters.</li> <li>• Development of a consumer action plan which allows Wine Australia to engage with a raft of people from different sectors.</li> </ul>	<ul style="list-style-type: none"> <li>• A quarterly assessment of the risk framework is undertaken by the Board and strategies to mitigate risk are implemented for those risks identified as increasing.</li> <li>• Inspection of up to 200 producers’ records annually to ensure compliance with the LIP.</li> <li>• Assessment of new traceability technology, and communication of Wine Australia’s findings with the Wine Industry Technical Advisory Committee (WITAC)</li> <li>• Investigating all reports made to Wine Watch.</li> <li>• Closely monitoring the trends in supply and demand of grapes and grape varieties in specific regions to influence where investigators focus audits of producers.</li> <li>• Using digital initiatives by conducting virtual audits of producers thereby increasing the number of audits that can occur rather than relying on manual, in-person inspections.</li> <li>• Weekly internal enquiry register circulated amongst regulatory team to track emerging regulatory issues.</li> <li>• Random analytical testing is undertaken regularly to identify levels of compliance with the Code.</li> <li>• Publication of exporter news to a broad email list keeping exports abreast of domestic and international issues affecting the export of wine.</li> <li>• Refreshing data regularly to reflect changing landscape of the type of exporters/producers in the industry so that export assistance advice can be tailored appropriately.</li> </ul>

Principle	Implementation of Principles	Measure of Success
<p><b>Principle 3</b>  <b>Collaboration and engagement</b> – regulators are transparent and responsive communicators, implementing regulations in a modern and collaborative way</p>	<ul style="list-style-type: none"> <li>• Maintenance of the legislative review committee to review any regulatory changes.</li> <li>• Wine Australia engages with the OIV and World Wine Trade Group.</li> <li>• Periodic review of market access risks associated with implementation of regulations.</li> <li>• Wine Australia’s customer engagement plan includes a schedule of educational activities and to increase awareness of requirements under the Act.</li> <li>• Implementation of a free opinion service of labelling compliance through a dedicated labels inbox.</li> </ul>	<ul style="list-style-type: none"> <li>• Wine Australia representatives attend OIV, World Wine Trade Group and the International Wine Law Association (AIDV).</li> <li>• Using the results of a consumer survey to establish the benchmark for consumer trust in key markets.</li> <li>• A dedicated Export Assistance team within Wine Australia providing timely and quality customer service.</li> <li>• Engagement with counterpart regulators in import markets to identify opportunities to reduce ‘red tape’ for Australian exporters.</li> <li>• Using input by way of feedback and enquiries from Wine Australia’s customers to create targeted training and communication strategies.</li> <li>• Wine Australia provides free opinions as to labelling compliance by way of a labels’ inbox.</li> <li>• Advice provided to customers and stakeholders regarding regulatory decisions clearly and in a way that can be easily understood.</li> </ul>