

2017-2018 Regulator Performance Framework

Wine Australia Self-Assessment Report

Introduction

Wine Australia is the 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*. Our role under the Act is to:

- coordinate or fund grape and wine research and development, and facilitate the dissemination, adoption and commercialisation of the results
- control the export of wine from Australia, and
- promote the sale and consumption of wine, both in Australia and overseas.

The Australian Government Regulator Performance Framework (RPF) was developed to ‘encourage 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’.¹

Wine Australia’s RPF is available for download via our website at: <http://wineaustralia.com/en/About%20Us/corporate-documents.aspx>

The self-assessment report summarises the Wine Australia’s performance against the six key performance indicators, as set by the Australian Government, over the first year since the introduction of the RPF. This report will address each performance measure individually, identifying both significant achievements and work in progress.

¹ Regulator Performance Framework, p4 https://www.cuttingredtape.gov.au/sites/default/files/files/Regulator_Performance_Framework2.pdf

Methodology

Wine Australia’s self-assessment report has been prepared by Wine Australia’s General Counsel. Where applicable, the General Counsel has consulted with relevant Wine Australia staff and departments in order to obtain the necessary evidence and documentation to complete the self-assessment. Consultation procedures have included random records and information checks, interviewing of staff members for procedural information, systematic collection and analysis of data, initiation of customer and stakeholder surveys, and general emails and phone calls to relevant staff.

Key Performance Indicator 1:

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

<i>Performance Measures</i>	<i>Evidence</i>	<i>Wine Australia Performance</i>
1. Demonstrated understanding of the operating environment for the regulated entities.	<p>A. The majority 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 and held below 10%, despite the harvest season covering more than 25% of the year.</p>	<p>A. All six members of our Label Integrity team hold relevant wine sector qualifications and/or experience. Five of six of them hold degrees in Oenology.</p> <p>B. The audit schedule is devised in accordance with the principles set out in the Regulatory Services Quality Manual, which uses risk to determine audit frequency. Vintage audits are minimised and generally account for less than 10% of the total number of audits.</p>
2. Implement strategy to reduce the costs of compliance for our stakeholders.	<p>A. Documented approaches to other regulators in an attempt 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. Wine Australia developed several guidance documents around record keeping requirements for producers. Wine Australia’s audits during the reporting period focussed on educating record keepers about their obligations to assist them to comply efficiently and thus reduce red-tape.</p> <p>B. On an international level, Wine Australia worked closely with the Asia-Pacific Economic Cooperation Wine Regulatory Forum (APEC WRF), which is working on</p>

		<p>harmonisation of wine export/import certificates across APEC economies. Minutes of all international regulator meetings / teleconferences are maintained and stored in our records management system. The minutes are reviewed and discussed as necessary at relevant domestic industry stakeholder forums (i.e. the Wine Industry Technical Advisory Committee (WITAC)).</p> <p>C. We introduced a new electronic newsletter – the Exporter News – which provides information and communicates resources about compliance.</p> <p>D. The Regulations were reviewed prior to sunseting with a view to reducing red tape for exporters.</p>
<p>3. Efficient and effective Wine Australia business processes developed in order to minimise potential for unintended negative consequences for regulated entities.</p>	<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>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>A. Satisfaction was assessed via a customer service survey via ‘survey monkey’, which was sent to all active exporters. The survey allowed for exporters to give honest feedback, the results of which will be collated and reviewed to allow for continuous improvement in our Regulatory Service team. Results indicated a high level of satisfaction. Detailed survey results are available from Wine Australia upon request.</p> <p>B. All legislated time frames were met.</p> <p>C. WITAC minutes were kept and show that proposed changes to policies and procedures were discussed prior to implementation.</p>

Key Performance Indicator 2:

Communication with regulated entities is clear, targeted and effective.

<i>Performance Measures</i>	<i>Evidence</i>	<i>Wine Australia Performance</i>
1. The provision of timely, clear, accessible and concise guidance and information on regulatory matters.	<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. Information obtained via the customer service survey, highlighted above in <i>KPI 1.3.A</i>.</p> <p>B. Website content is reviewed regularly, and scheduled document review dates are generally adhered to.</p> <p>C. All website content is current.</p>
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 customer service survey. Please see <i>KPI 1.3.A</i> for a summary of survey outcomes.</p> <p>B. Customer service standards are outlined on the Wine Australia Website Regulatory Services page under the heading 'Suggestions and Comments'. There is provision here for dissatisfied customers to express and escalate their concerns as applicable. Additional feedback routes include the Export Assistance Customer Service Survey as well as the Audit Feedback Survey.</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. There have been no direct changes in Wine Australia operational policies or guidelines. Other relevant information, for example, factors affecting the export process, or trade in a particular market, are communicated to stakeholders via email as necessary.</p> <p>B. The CEOs of each of Wine Australia's representative organisations (The Winemakers' Federation of Australia and</p>

		Australia Vignerons) indicated that the consultation process employed through WITAC and the associated reporting mechanisms were satisfactory during the 2017/18 reporting period.
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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.	<ul style="list-style-type: none"> A. Risk framework applied to decision-making is accessible to regulated entities. B. Risk framework reviewed every three years. 	<ul style="list-style-type: none"> 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. B. The Regulatory Service Quality Manual is reviewed annually as per the set document review schedule.
2. Lower regulatory effort is applied to activities of lower regulatory risk.	<ul style="list-style-type: none"> A. Annual audit schedule devised in accordance with the risk management policy. B. All allegations of non-compliance investigated according to Wine Australia enforcement strategy. C. Feedback collected from audited entities following each audit. 	<ul style="list-style-type: none"> A. The audit schedule is devised according to set risk management policy. It appears that all specified risk principles are adhered to when selecting regions and entities for audit. B. Specific examples of non-compliance detected via various channels (including routine field audit, desk audit, labelling issues, 'tip-offs' etc.) have been examined and compared to the Wine Australia enforcement strategy. Although each individual Label Integrity Auditor handles issues in their own way, all appear to adhere to Wine Australia's overall strategy. The majority of issues tend to be non-urgent, and

		thus concerns can be followed-up at subsequent audits. All incidences of non-compliance are noted accordingly in the relevant 'Audit Report', which is stored in Wine Australia's record management system and supplied to the relevant contact of the audited entity. Further communication and questions are always encouraged and assistance offered where necessary.
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 audit schedules accessible to regulated entities.</p>	<p>A. The compliance and enforcement strategy is outlined in the Regulatory Services Quality Manual which is available to regulated entities via the Wine Australia website.</p> <p>B. The Quality Manual also outlines the risk-based policy for determining the audit schedule.</p>

Key Performance Indicator 4:

Compliance and monitoring approaches are streamlined and coordinated.

<i>Performance Measures</i>	<i>Evidence</i>	<i>Wine Australia Performance</i>
1. Monitoring and enforcement strategies allow for a range of regulatory responses.	A. All allegations of non-compliance are risk assessed within five days.	A. This parameter is difficult to assess with the current audit reporting system. Examples of non-compliance have been requested from the auditors and it appears that non-compliance is assessed within a timely manner. On occasion it may be longer than 5 days depending of the travel schedule of the auditor (audit trips usually last one week and there may not be time to risk assess the issue until the auditor returns to the office the following week). Records of follow-up

		information beyond the audit report are difficult for the internal auditor to locate without the guidance of the relevant LIP Auditor, and may consist of emails or phone calls which are not recorded on a shared records system at this stage.
2. Information requests are designed to minimise impact on business.	<p>A. The duration of each audit is recorded and average time will not exceed two hours.</p> <p>B. Number of compliance activities conducted jointly with other regulators.</p>	<p>A. The commencement time for each audit is recorded on the Audit Consent form. Any audits exceeding two hours are noted in the audit database with the reason. Audits over two hours are avoided wherever possible but do occur on occasion for reasons including; providing additional requested guidance, investigation of specific issues, difficulty extracting required information from record keeping system.</p> <p>B. No joint compliance activities were conducted.</p>
3. Information requested from regulated entities is necessary and acted upon.	<p>A. Licence applications include minimum data collection necessary to ensure legislated criteria can be assessed.</p> <p>B. Unless identified as high-risk entity, requests for audits of product information are restricted to no more than three per occasion.</p>	<p>A. The licence application form contains minimal fields for completion by potential exporters. Data collection is such that legislated criteria can be assessed satisfactorily.</p> <p>B. Review of many audit reports at random confirms that no more than three product audits are undertaken per occasion.</p>

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 comprehensive document covers all aspects of the AWGA 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>B. The results of the customer service survey will be published on the Wine Australia website in the near future. Please see <i>KPI 1.3.A</i> for a summary of survey outcomes and future survey plans.</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 customer survey and audit feedback process are presented to management team twice a year for review and adoption into annual planning process.</p>	<p>A. As survey results become available, they will be collated by the General Counsel for a summary presentation to the management team.</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. There is not a formal written procedure for stakeholder consultation, however records are maintained of any stakeholder discussions and feedback (i.e. WITAC Meeting Minutes).</p> <p>B. The Regulations under which the export controls are administered were remade in 2018 following extensive consultation with the representative bodies and a Legislative Review Committee established by Wine Australia. The Committee comprised members drawn from key stakeholder organisations. Recommendations from the Committee were forwarded to DAWR for consideration following consultation with WITAC.</p> <p>C. Wine Australia maintains regular contact with regional wine grape grower and wine producer associations via many channels including marketing activities, auditing program, wine sector intelligence information sessions and industry forums and meetings.</p> <p>D.</p>
2. Engagement with the Department of Agriculture on the development or amendment of regulatory frameworks.	<p>A. All proposals for substantial reform of Wine Australia's regulatory approach will be reviewed by the policy department of the Department of Agriculture.</p>	<p>A. It is a requirement that all major policy reforms are reviewed by the Department of Agriculture. Wine Australia's Regulatory Services Department maintains regular communication with the Department of Agriculture and will seek input and review on policy reform if and when necessity arises.</p>

Supporting Documentation

Relevant supporting documentation including the Regulatory Service Quality Manual and Compliance Guide can be found on Wine Australia's website. Further specific documentation, such as meeting minutes, emails, audit schedules and survey results can be provided on request.

Conclusion

Overall, Wine Australia has performed well against the RPF with the majority of important performance measures already a part of ingrained procedure within the organisation. Where areas for improvement have been identified, work has commenced to ensure performance indicators will be fully met in the near future.