

**2015-2016 Regulator Performance Framework**  
**Australian Grape & Wine Authority Self-Assessment Report**

**Introduction**

The Australian Grape and Wine Authority (AGWA) 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 Australian Grape and Wine Authority 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.<sup>1</sup>

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’.<sup>2</sup>

AGWA’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 Australian Grape and Wine Authority’s (AGWA’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.

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<sup>1</sup> Australian Grape & Wine Authority (Wine Australia) website, June 2016 - ‘About Us’ <http://wineaustralia.com/en/About%20Us.aspx>

<sup>2</sup> Regulator Performance Framework (2014) p4

## Methodology

AGWA's self-assessment report has been prepared by AGWA's Internal Auditor. Where applicable, the Internal Auditor has consulted with relevant AGWA 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.

The report has been reviewed by the AGWA's General Manager or Regulatory Services prior to submission.

### **Key Performance Indicator 1:**

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

<i>Performance Measures</i>	<i>Evidence</i>	<i>AGWA 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 four of our primary Label Integrity Auditors hold relevant wine sector qualifications. Of a further four secondary inspectors, two also hold wine industry qualifications, and two hold compliance qualifications and/or are experienced operators in the industry.</p> <p>B. The audit schedule is devised in accordance with the principles set out in the Regulatory Services Quality Manual (available for download on the AGWA website) 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> <p>In the 2015/16 financial year a total of 29 vintage audits were conducted. These audits were of a different format to the standard LIP</p>

		<p>audit and were targeted on a specific issue requiring investigation during the harvest period in particular. While a significant number were conducted, these audits make up just 9.44% of the total financial year audits. Additionally, the vintage audit format was more observation based, meaning there was a lot less burden on the regulated entity than is normally the case during an LIP audit.</p>
<p>2. Implement strategy to reduce the costs of compliance for our stakeholders.</p>	<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. There are no directly relevant regulators with whom AGWA can harmonise regulatory activities with. AGWA does however maintain regular communication with the Australian Tax Office (ATO) to provide mutual assistance where possible. Conducting audits in tandem has been discussed, however due to the confidential nature of ATO business, this is unlikely to be feasible.</p> <p>On an international level, AGWA works closely with the Asia-Pacific Economic Cooperation Wine Regulatory Forum (APEC WRF) which is working on harmonisation of wine export/import certificates across APEC economies. Work in this area is ongoing, currently a certificate template for voluntary use is in final draft form. Consolidating certificates across economies aims to encourage wine production and trade.</p> <p>In addition, AGWA has documented evidence of working with other international government entities (ie. Manitoba Liquor and Lotteries Commission) in order to minimise the combined auditing activities and thus</p>

		<p>provide assistance to exporters.</p> <p>B. 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 (ie. WITAC).</p>
<p>3. Efficient and effective AGWA business processes developed in order to minimise potential for unintended negative consequences for regulated entities.</p>	<p>A. Satisfaction with AGWA 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 is to be assessed via a customer service survey which will be sent to randomly selected active exporters. The survey will allow exporters to give honest feedback, the results of which will be collated and reviewed to allow for continuous improvement in our Regulatory Service team.</p> <p>In order to obtain results for this report, the first edition of the customer service survey was conducted over the phone. Future editions of the survey may utilise another format, however this is under deliberation. The verbal survey consisted of 5 basic questions relating to each of the following areas: 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>57 exporters were interviewed for the survey. For questions 1 and 2 the average result was 99%, meaning that exporters are satisfied with both AGWA's overall export assistance service and our communication. A score of 81% was achieved for question 3 in relation to information availability.</p>

		<p>Feedback suggests that AGWA's website can be difficult to navigate to find specific information. This is an area in which work is underway. Input into our new website design will hopefully allow for simplification of the production and exporting pages and thus allow ease of access to information for exporters. Improvements made will need to be monitored over time by means of this survey to ensure the flow is logical for our customers.</p> <p>Similarly we scored 85% for satisfaction with the WEA system. AGWA is aware of the limitations of the WEA system and are constantly working to improve usability wherever possible. Ultimately building a new online system is the goal, however budget constraints prevent this from being a short term prospect.</p> <p>Comments received for question 5 generally related to the complexity of the WEA system and also issues in finding relevant information rather than actual quality of our publications. As mentioned above, these are areas we are working on improving as much as practicable in the short term. Future customer surveys will allow our progress to be tracked.</p> <p>B. The Export Assistance team aims to meet set turn-around times for export documentation. The turnaround times are listed on the website and far exceed legislated timeframes. For example, the Regulations</p>
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		<p>prescribe a 10 day turnaround for export permits. On supply of correct documentation, the Export Assistance team will process export permits in one business day.</p> <p>C. Minutes of WITAC meetings are reviewed by the internal auditor as they become available to ensure that policies and procedures are discussed prior to implementation. AGWA's General Manager of Regulatory Services attends WITAC meetings and advises the committee of proposals for discussion as necessary.</p>
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**Key Performance Indicator 2:**

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

<i>Performance Measures</i>	<i>Evidence</i>	<i>AGWA Performance</i>
<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 AGWA 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 AGWA website.</p>	<p>A. Information obtained via the customer service survey, highlighted above in <i>KPI 1.3.A</i>, suggests that finding information (rather than the quality of information) is an issue for some exporters, thus simplification of the website's Production and Exporting information pages will need to be a focus for the planned website redevelopment.</p> <p>B. Website content is reviewed regularly and scheduled document review dates are generally adhered to. All website content is current.</p> <p>C. Website hits data is recorded via Google Analytics and the Production and Exporting data has been summarised on a monthly basis since December 2015. The data covers</p>

		<p>most frequently visited pages, the top ten Regulatory Services page visits and average monthly visits. The top 10 pages and their average monthly visits, as at end May 2016 is as follows:</p> <ol style="list-style-type: none"> <li>1. Production &amp; Exporting – 3,294 visits per month</li> <li>2. Exporting Wine – 1,950</li> <li>3. Export Certificates – 1,858</li> <li>4. Australian GI's – 1,727</li> <li>5. Labelling – 1,443</li> <li>6. Fees &amp; Forms - 978</li> <li>7. Licence to Export - 700</li> <li>8. Wine Export Approval System - 491</li> <li>9. Register of GI's &amp; Other Terms - 463</li> <li>10. Label Integrity Program – 406</li> </ol> <p>Overall, the Production &amp; Exporting section of the website receives, on average 16,939 visits per month.</p> <p>Website data will continue to be monitored and documented by AGWA's Internal Auditor.</p>
<p>2. Satisfaction with the quality of advice relating to AGWA decisions and assistance.</p>	<ol style="list-style-type: none"> <li>A. Satisfaction with the quality of assistance during the export approval process.</li> <li>B. Customer service standards met.</li> </ol>	<ol style="list-style-type: none"> <li>A. Assessed via the customer service survey. Please see <i>KPI 1.3.A</i> for a summary of survey outcomes and future survey plans.</li> <li>B. Customer service standards are outlined on the AGWA 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</li> </ol>

		well as the Audit Feedback Survey.
3. Satisfaction with AGWA 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 AGWA consultation.</p>	<p>A. There have been no direct changes in AGWA operational policies or guidelines, however AGWA has been involved in the circulation of information for the proposed changes to the Food Standards Code, namely FSANZ 4.5.1. AWGA has provided information to registered exporters and stakeholders detailing the application from the Winemakers Federation (WFA) and how the changes affect stakeholders. 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. No dissatisfaction has been expressed at the Wine Industry Technical Advisory Committee about the frequency or quality of AGWA's consultation on regulatory matters.</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>AGWA 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. The risk management</p>

<p>2. Lower regulatory effort is applied to activities of lower regulatory risk.</p>	<p>A. Annual audit schedule devised in accordance with the risk management policy.</p> <p>B. All allegations of non-compliance investigated according to AGWA enforcement strategy.</p> <p>C. Feedback collected from audited entities following each audit.</p>	<p>principles are included in this annual review.</p> <p>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.</p> <p>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 AGWA enforcement strategy. Although each individual Label Integrity Auditor handles issues in their own way, all appear to adhere to AGWA's overall strategy. For the 2015-2016 financial year, there have been a total of 67 non-compliances detected, of varying nature and severity, out of a total of 307 audits. 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 AGWA'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.</p> <p>C. The Audit Feedback Survey has been supplied to all (field) audited entities since April 2016. Results thus far are limited to 20 respondents as the survey is voluntary. The 5 survey questions and results are summarised below:</p> <p>1. Amount of prior notice: 95% 'just right'</p>
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		<p>2. Audit length: 100% 'just right'</p> <p>3. Descriptors for LIP Auditor in rank order thus far: Professional, helpful, friendly, knowledgeable, constructive, efficient, concise, attentive, demanding</p> <p>4. Perception of the overall audit process in rank order: straightforward, educational, useful, clarifying, constructive, happy to be a part of the program, intimidating, valuable, inconvenient</p> <p>5. Sources for regulatory advice: Top 3 – Wine Australia website, phoning Wine Australia and emailing Wine Australia</p> <p>Survey results will continue to be collected and analysed. As the sample size grows, a more accurate picture can be formed of where actions may be required. At this stage it appears the audit feedback is very positive.</p>
<p>3. Compliance and enforcement strategies are consistent with agreed risk management policies.</p>	<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>AGWA Performance</i>
<p>1. Monitoring and enforcement strategies allow for a range of regulatory responses.</p>	<p>A. All allegations of non-compliance are risk assessed within five days.</p>	<p>A. This parameter is difficult to assess with the current audit reporting system. Examples of non-compliance have been requested from</p>

		<p>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.</p> <p>A new electronic system (COMtrak) for managing audit schedules and associated information has recently been approved by AGWA management and will be implemented over the coming months. This system will centralise and streamline the way the audit department functions and make it much easier to report on audit activities, as well as monitoring the progress of regulated entities and specific issues over time.</p>
<p>2. Information requests are designed to minimise impact on business.</p>	<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</p>

		<p>keeping system.</p> <p>B. There are no relevant regulators for Label Integrity Auditors to conduct joint audits with. As mentioned previously however, the Regulatory Services Department maintains regular contact with relevant organisations and is always open to exploring collaborative approach possibilities for the future.</p>
<p>3. Information requested from regulated entities is necessary and acted upon.</p>	<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>AGWA Performance</i>
<p>1. Guidelines for ensuring compliance with legislated requirements are published.</p>	<p>A. Guidelines include AGWA'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. AGWA 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</p>

		<p>answer any additional questions that may arise.</p> <p>B. The results of the customer service survey will be published on the AGWA 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 is the first report against the RPF, and upon completion it 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.	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.	A. As survey results become available, they will be collated by the Internal Auditor for a summary presentation to the management team.

**Key Performance Indicator 6:**

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

<i>Performance Measures</i>	<i>Evidence</i>	<i>AGWA Performance</i>
1. Stakeholder engagement in implementing regulatory frameworks.	<p>A. Documented stakeholder consultation procedures in place.</p> <p>B. All significant changes to AGWA 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 (ie WITAC Meeting Minutes).</p> <p>B. There have been no significant changes to AGWA regulatory frameworks since the inception of the RPF.</p> <p>C. Provisions are in place to allow for a two-stage consultation process when policy changes are necessary. As yet, no changes have occurred to report.</p> <p>D. AGWA maintains regular contact with</p>

		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.
2. Engagement with the Department of Agriculture on the development or amendment of regulatory frameworks.	A. All proposals for substantial reform of AGWA'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. AGWA'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.

### Supporting Documentation

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

### Conclusion

Overall, AGWA 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.

