

Riverland Wine Industry Fund

2018-19 Annual Report

Introduction

The *Primary Industry Funding Schemes Act 1998* was established to provide South Australian primary industries with a legislatively based ability to raise funds within their sector to fund projects and services for the benefit of their sector.

Section 4 of the Act allows the Governor to make regulations establishing a fund for a particular sector of primary industry. All existing regulations are administered by the Minister for Primary Industries and Regional Development.

This is the Riverland Wine Industry Fund Annual Report for the year ended 30 June 2019, prepared under section 11 of the Act.

Overview

The Riverland Wine Industry Fund is established by the *Primary Industries Funding Schemes (Riverland Wine Industry Fund) Regulations 2016*.

The contribution rates for this fund are outlined in regulation 5 and are as follows:

Grower contribution rate	0.5% of the value of grapes sold
Winemaker contribution rate (purchased grapes)	\$0.50 per tonne
Grapes grown by a winemaker (own grapes)	\$1.50 per tonne

Contributors may seek a refund of their contributions as provided for in regulation 6.

The purposes for which the fund can be applied by the Minister are outlined in regulation 7. Payments from the fund may be made to a body that, in the opinion of the Minister, represents both growers and winemakers of Riverland grapes.

Operation of the fund

Primary Industries and Regions SA manages the operations of the fund on behalf of the Minister.

The fund management plan current for the year ended 30 June 2019 was prepared in accordance with section 9 of the Act. The plan was presented at a public meeting held on 19 September 2018 and was publicly available on the PIRSA website. It is attached to this report.

One application was received from Riverland Wine. This application met the requirements of the regulations and was approved by the Minister.

Where requested, refunds of contributions were paid in accordance with regulation 6.

In accordance with regulation 7(e), the fund was also applied to administration expenses.

The fund accounts for the year ended 30 June 2019 have been audited by the Auditor-General's Department. The audited financial statements and audit report are attached.



Scott Ashby
CHIEF EXECUTIVE
PRIMARY INDUSTRIES AND REGIONS SA

24/1/2020

Riverland Wine Industry Fund

Primary Industry Funding Schemes (Riverland Wine Industry Fund Regulations) 2016

Management Plan 2018-19 to 2022-23



Enquiries

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Revised	19 April 2018
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Draft plan for consultation	14 August 2018
Presented at public meeting	19 September 2018

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Introduction

The [Primary Industry Funding Schemes Act 1998](#) (the Act) provides South Australian primary industries with a legislative based ability to raise funds within their sector so they can favourably position themselves in the national and international marketplace.

Section 4 of the Act allows the Governor to make regulations to establish a fund for a particular primary industry sector. All existing funds are administered by the Minister for Primary Industries and Regional Development (the Minister). Primary Industries and Regions SA (PIRSA) is the Minister's agent for the administration of these funds.

The Riverland Wine Industry Fund is established by the [Primary Industry Funding Schemes \(Riverland Wine Industry Fund\) Regulations 2016](#) ('the regulations').

Contributions are payable at the rate prescribed in the regulations. Riverland winemakers and growers of Riverland grapes contribute to the fund. Grape grower contributions are collected by the winemaker as a deduction from the payment made by the winemaker to a grower. Winemakers are responsible for paying contributions on their own behalf. Winemakers are required to forward all contributions to the Minister on or before 30 June each year.

Contributors may seek a refund of their contributions. If a refund is paid to a contributor, they are deemed to be 'in default' and not entitled to receive benefits or services funded by payments from the fund.

Payments are made from the fund for purposes defined in regulation 7.

This management plan has been developed in consultation with the body that represents the contributors to the fund. It covers a five-year period and must be revised annually, but may be updated at any time by the administrator of the fund.

Estimate of contributions to the fund

The regulations require growers of Riverland wine grapes and winemakers that process Riverland wine grapes to contribute to the fund.

Grape grower contributions are collected by the winemaker as a deduction from the payment made by the winemaker to a grower.

The winemaker is required to pay the 'winemaker contribution' on their own grapes and on 'other persons' grapes processed into wine.

The contribution rates are set in regulation 5 and are described in Table 1.

The regulations require winemakers to pay all contributions to PIRSA by 30 June each year.

Table 1: Contribution Rates

Grower contribution rate	0.5% of the amount payable to the grower by the winemaker
Winemaker contribution rate (in the case of grapes grown by a person other than the winemaker)	\$0.50 per tonne
Winemaker contribution rate (grapes grown by the winemaker)	\$1.50 per tonne

The estimate of the contributions to the fund shown in Table 2 is based on the 2018 SA Winegrape Crush Survey.

A preliminary estimate of the 2017-18 contributions is included in Table 2, as payments from the fund in 2018-19 will be made from these contributions.

Table 2 Estimated contributions

Financial year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	2018 vintage	2019 vintage	2020 vintage	2021 vintage	2022 vintage	2023 vintage
Total estimated tonnes	428,000	428,000	428,000	428,000	428,000	428,000
Total Contributions	\$1,001,366	\$1,001,366	\$1,001,366	\$1,001,366	\$1,001,366	\$1,001,366

Investment of the fund

PIRSA administers the financial operations the fund on behalf of the Minister in accordance with the regulations and the [*Public Finance and Audit Act 1987*](#).

Contributions are invested in a separate interest bearing account at the Department of Treasury and Finance. Interest is paid quarterly on monies held, and is treated as income to the fund in accordance with regulation 4(3)(c).

Purposes of the fund

Regulation 7 outlines the purposes for which payments from the fund may be made:

7—Application of Fund

- (1) The Fund may be applied by the Minister for any of the following purposes:
 - (a) payments to a body (the ***industry development association***) that, in the opinion of the Minister, represents both Riverland grapes winemakers and growers of Riverland grapes for 1 or more of the following purposes:
 - (i) the reasonable operating and management expenses of the body;
 - (ii) promoting the Riverland wine industry, including through wine shows, wine festivals or other wine industry forums or through tourism;
 - (iii) undertaking or facilitating research and development, or the collection and dissemination to Riverland grapes winemakers and growers of Riverland grapes of information, relevant to the Riverland wine industry;
 - (iv) participation of the body in regional, State or national wine industry forums;
 - (v) programs designed to encourage communication and cooperation between Riverland grapes winemakers and growers of Riverland grapes;
 - (vi) other purposes of the body;
 - (b) payments to a body (the ***grower association***) that, in the opinion of the Minister, represents growers of Riverland grapes for 1 or more of the following purposes:
 - (i) the reasonable operating and management expenses of the body;
 - (ii) fees for affiliation of the body with regional, State or national wine industry bodies;
 - (iii) representation of growers of Riverland grapes in regional, State or national wine industry forums;
 - (iv) the provision of industry information to growers of Riverland grapes;
 - (v) other purposes of the body;

- (c) payments to a body (the *winemaker association*) that, in the opinion of the Minister, represents Riverland grapes winemakers for 1 or more of the following purposes:
- (i) the reasonable operating and management expenses of the body;
 - (ii) fees for affiliation of the body with regional, State or national wine industry bodies;
 - (iii) representation of Riverland grapes winemakers in regional, State or national wine industry forums;
 - (iv) the provision of industry information to Riverland grapes winemakers;
 - (v) other purposes of the body;
- (d) payments for other purposes for the benefit of the Riverland wine industry;
- (e) payment of the expenses of administering the Fund;
- (f) refunds of contributions to the Fund given under these regulations.

Eligible organisation

Payments from the fund may be made to an industry development association, a grower association or a winemaker association as defined in the regulations. Riverland Wine acts for and on behalf of these associations and is the eligible organisation for the purpose of this management plan.

Application process

The eligible organisation should contact the Responsible Officer (see page 2) about preparing an application for payment from the fund. The application should be in the form of a letter to the Minister which:

- confirms the organisation represents grape growers and wine makers of the region
- requests a payment from the fund
- attaches an operational plan, which with respect to each broad program activity:
 - provides a brief description of the activity and its intended outcome
 - aligns the activity to a purpose (in regulation 7(1))
 - provides a budgeted cost for the activity

The application for payment should not be made until after the revised management plan is presented at a public meeting.

Application approval

Ministerial approval for payment from the fund to the eligible organisation is deemed to be an agreement with the Minister that the eligible organisation will undertake the activities outlined in the operational plan, and comply with any requirements in the regulations and this management plan.

The organisation will be required to sign and return an acknowledgement of these conditions, provided with the letter of approval from the Minister, prior to payment being made.

Payment terms

Payments from the fund to the eligible organisation may be made in accordance with the schedule in Table 3. The amount of any payment will not exceed the available balance of the fund at the time, less an amount which is considered sufficient to cover audit and administrative costs plus an allowance for any refunds to contributors.

Table 3 Proposed schedule for payments from the fund

	October / November	January	May
Percentage of total annual payment	60%	20%	20%

Reporting requirements

The eligible organisation is to provide PIRSA with a report within one month of the end of the financial year, detailing the benefits and services funded with the payment from the fund and a statement of acquittal, demonstrating that all monies were expended in accordance with the application for payment.

Updating the management plan

The revised draft of the management plan will be provided to the eligible organisation for its comment.

Feedback will be considered and the management plan finalised and provided to the Minister.

The updated management plan will be presented at a public meeting, which will be advertised and facilitated by PIRSA.

The management plan will then be posted on the PIRSA website to meet the requirements of section 9 (7) of the Act, in a manner permitted by section 51 of the [Acts Interpretation Act 1915](#), which provides for 'production of records kept by computer or other process.'

INDEPENDENT AUDITOR'S REPORT



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Auditor-General's Department

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To the Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund (the fund) for the financial year ended 30 June 2019.

Qualified opinion

In my opinion, except for the possible effects of the matter described in the 'Basis for qualified opinion' section of my report, the accompanying financial report gives a true and fair view of the financial position of the Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund as at 30 June 2019, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chief Executive, Department of Primary Industries and Regions (the Chief Executive), signed for and on behalf of the Minister for Primary Industries and Regional Development (the Minister) and the Acting Chief Financial Officer, Department of Primary Industries and Regions.

Basis for qualified opinion

As referred to in note 4.1 to the financial statements, pursuant to regulation 5 of the Primary Industry Funding Schemes (Riverland Wine Industry Fund) Regulations 2016, under the *Primary Industry Funding Schemes Act 1998*, contributions are required to be paid into the fund for each tonne of Riverland grapes delivered to a Riverland winemaker. While there are adequate internal controls over contributions actually received, there are no procedures in place to ensure the contributions received represent the actual tonnage delivered. Consequently, I am unable to express an opinion on whether income recognised as contributions from industry of \$1 112 245 (\$987 197) is complete.

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Minister and the Department of Primary Industries and Regions which administers the fund on the Minister's behalf. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* have been met.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Responsibilities of the Minister and the Chief Executive for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

The Minister is responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

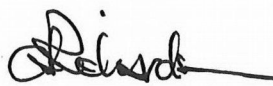
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive and the Minister about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

Auditor-General

19 December 2019

**Minister for Primary Industries and Regional
Development**

Riverland Wine Industry Fund

Financial Statements

For the year ended 30 June 2019

Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund
Certification of Financial Statements
for the year ended 30 June 2019

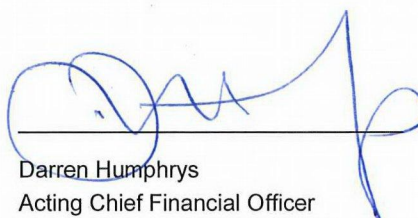
We certify that the attached general purpose financial statements for the Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the Riverland Wine Industry Fund
- present a true and fair view of the financial position of the Riverland Wine Industry Fund as at 30 June 2019 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Scott Ashby
Chief Executive
Department of Primary Industries and Regions
For and on behalf of the Minister for Primary Industries and Regional Development
Per authorisation dated 9 May 2018
18 December 2019



Darren Humphrys
Acting Chief Financial Officer
Department of Primary Industries and Regions
18 December 2019

Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund
Statement of Comprehensive Income
for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Expenses			
Transfers to industry	3.1	773 000	776 446
Refund of contributions		210 706	167 538
Supplies and services	3.2	12 374	10 466
Auditor's remuneration		6 500	6 300
Total expenses		1 002 580	960 750
Income			
Contributions from industry	4.1	1 112 245	987 197
Interest		7 761	9 457
Total income		1 120 006	996 654
Net result		117 426	35 904
Total comprehensive result		117 426	35 904

The accompanying notes form part of these financial statements.

The net result and total comprehensive result are attributable to the SA Government as owner.

**Minister for Primary Industries and Regional Development – Riverland Wine
Industry Fund
Statement of Financial Position
as at 30 June 2019**

	Note	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	5.1	976 030	858 340
Receivables	5.2	591	645
Total current assets		976 621	858 985
Total assets		976 621	858 985
Current liabilities			
Payables	6.1	7 040	6 830
Total current liabilities		7 040	6 830
Total liabilities		7 040	6 830
Net assets		969 581	852 155
Equity			
Retained earnings		969 581	852 155
Total equity		969 581	852 155
Contingent liabilities	8.1		

The accompanying notes form part of these financial statements.

Total equity is attributable to the SA Government as owner.

Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund
Statement of Changes in Equity
for the year ended 30 June 2019

	Retained earnings	Total equity
	\$	\$
Balance at 30 June 2017	816 251	816 251
Net result for 2017-18	35 904	35 904
Total comprehensive result for 2017-18	35 904	35 904
Balance at 30 June 2018	852 155	852 155
Net result for 2018-19	117 426	117 426
Total comprehensive result for 2018-19	117 426	117 426
Balance at 30 June 2019	969 581	969 581

The accompanying notes form part of these financial statements.

All changes in equity are attributable to the SA Government as owner.

Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund
Statement of Cash Flows
for the year ended 30 June 2019

	2019 (Outflows) Inflows \$	2018 (Outflows) Inflows \$
Cash flows from operating activities		
Cash outflows		
Transfers to industry	(773 000)	(776 446)
Refund of contributions	(210 706)	(167 538)
Payments for supplies and services	(12 364)	(10 456)
Auditor's remuneration	(6 300)	(6 200)
Cash used in operations	(1 002 370)	(960 640)
Cash inflows		
Contributions from industry	1 112 245	987 197
Interest received	7 815	9 484
Cash generated from operations	1 120 060	996 681
Net cash provided by / (used in) operating activities	117 690	36 041
Net increase / (decrease) in cash and cash equivalents	117 690	36 041
Cash and cash equivalents at the beginning of the reporting period	858 340	822 299
Cash and cash equivalents at the end of the reporting period	976 030	858 340

The accompanying notes form part of these financial statements.

Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund

Notes to and forming part of the financial statements
for the year ended 30 June 2019

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Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund

Notes to and forming part of the financial statements

for the year ended 30 June 2019

1. About the Riverland Wine Industry Fund

The Riverland Wine Industry Fund (the Fund) is established pursuant to the *Primary Industry Funding Schemes (Riverland Wine Industry Fund) Regulations 2016* (Regulations), administered by the Minister for Primary Industries and Regional Development and is controlled by the Crown. The Department of Primary Industries and Regions (PIRSA) provides administrative support services to the Fund.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards [with reduced disclosure requirements].

For the 2018-19 financial statements the Fund adopted AASB 9 – Financial Instruments and is required to comply with new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. Further information is provided in note 7.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

The Fund has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Fund is a not-for-profit entity.

The Fund is not subject to Income Tax. The Fund is liable for Goods and Services Tax (GST). GST collections and payments are carried out by PIRSA on behalf of the Fund. GST in relation to the Fund is reported in the PIRSA Controlled Financial Statements.

1.2. Objectives of the Fund

The Fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 14 June 2001. These Regulations were revoked on 1 September 2016. New Regulations, *Primary Industry Funding Schemes (Riverland Wine Industry Fund) Regulations 2016* were issued on 1 September 2016 with minimal changes made.

The primary purposes of the Fund are to:

- promote the Riverland wine industry
- represent growers in regional, state or national wine industry forums
- undertake research and development
- encourage communication and cooperation between participants in the Riverland wine industry
- pay the reasonable operating and management expenses of the relevant associations.

Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2. Board, committees and employees

2.1. Key management personnel

Key management personnel of the Fund includes the Minister for Primary Industries and Regional Development who has responsibility for the strategic direction and management of the Fund.

The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

There were no transactions with key management personnel and other related parties entered into by the Fund.

3. Expenses

3.1. Transfers to industry

	2019	2018
	\$	\$
Riverland Wine	773 000	776 446
Total transfers to industry	773 000	776 446

Regulations provide that the Fund may be applied for a number of specific purposes and that payments from the Fund may be made to an industry body established to represent its membership. The amounts transferred enable projects and activities to be delivered by the industry to meet its management plan.

For transfers payable, the payments will be recognised as a liability and expense when the Fund has a present obligation to pay the transfer and the expense recognition criteria are met.

All payments from the Fund are made in accordance with the Fund's Regulations and the management plan developed in consultation with the industry.

3.2. Supplies and services

	2019	2018
	\$	\$
Administrative and operating costs ⁽¹⁾	12 374	10 466
Total supplies and services	12 374	10 466

⁽¹⁾ Includes fees for administration and preparation of the financial statements.

4. Income

4.1. Contributions from industry

Contributions payable to the Minister for payment into the Fund are made pursuant to Regulation 5.

Contributions are recognised as an asset and income when the Fund obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (that is, the amount can be reliably measured and the flow of resources is probable).

Contributions from industry have been recognised as revenue when received.

Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund

Notes to and forming part of the financial statements for the year ended 30 June 2019

5. Financial assets

5.1. Cash and cash equivalents

Cash in the Statement of Financial Position comprises deposits at call with the Department of Treasury and Finance (DTF).

5.2. Receivables

	2019	2018
	\$	\$
Accrued interest - Department of Treasury and Finance	591	645
Total receivables	591	645

6. Liabilities

6.1. Payables

	2019	2018
	\$	\$
Audit fee payable to the Auditor-General's Department	6 500	6 300
Other payables	540	530
Total payables	7 040	6 830

Goods and services provided and unpaid at the end of the reporting period are recognised as other payables.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

7. Changes in accounting policy

7.1. Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. There were no changes that impact on these financial statements.

Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund

Notes to and forming part of the financial statements for the year ended 30 June 2019

7.2. AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 did not have a material impact on these financial statements.

Receivables that were classified as loans and receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

8. Outlook

8.1. Contingent liabilities

Refunds of contributions

Under Regulation 6(1) refunds of contributions paid in respect of Riverland grapes delivered during a prescribed period may be claimed by notice in writing to the Minister within the 12 months following that prescribed period.

At the reporting date the possible emergence of valid refund requests within the 12 months following the prescribed period is present. However, as uncertainty exists as to the number of refund requests that will be received, and their timing and amount, these potential obligations cannot be reliably estimated and therefore represent a contingent liability for the Fund.

Once a valid refund request has been received from a past contributor and it is approved by the Minister or delegate, a present obligation to pay the refund arises. The refund amount is then recognised as a liability and expense of the Fund.

8.2. Events after the reporting period

No events have occurred after balance date that would affect the financial statements of the Fund as at 30 June 2019.

9. Measurement and risk

9.1. Financial instruments

Liquidity risk

The Fund's revenue comes from contributions received from industry members at rates prescribed in the Regulations for the Fund. All payments from the Fund are made in accordance with the Fund's Regulations and the management plan developed in consultation with the industry.

The continued existence of the Fund in its present form, and with its present programs, is dependent on State Government policy and the industry's on-going support for the Fund.

