



Australian Government

Australian Grape and Wine Authority

T +61 8 8228 2000
F +61 8 8228 2066
E enquiries@agwa.net.au
W www.agwa.net.au

Australian Grape and Wine Authority
ABN 89 636 749 924
Industry House - National Wine Centre
Cnr Hackney & Botanic Roads
Adelaide SA 5000
PO Box 2733, Kent Town SA 5071, Australia

**Submission to Rural and Regional Affairs and Transport Legislation Committee inquiry into the
*Rural Research and Development Legislation Amendment Bill 2014***

Dear Committee Secretary

On 25 September 2014, the Senate referred *the Rural Research and Development Legislation Amendment Bill 2014* (the Bill) for inquiry and report to the Rural and Regional Affairs and Transport Legislation Committee.

The purpose of the Bill is to amend legislation relating to research and development for primary industries, and for related purposes.

This submission focuses on the proposed amendments to the *Australian Grape and Wine Authority Act 2013*

Background

The amendments detailed in the Bill would allow the government to recover the cost of membership fees paid by the Commonwealth to an international grape and wine organisation either by direct payment (Section 37(2)) or by a set off against the matching amounts paid to the Authority (Section 37(4)).

The Australian Grape and Wine Authority has the following concerns with these amendments:

Consultation

The decision to enable the government to recover the cost of membership fees paid on behalf of the grape and wine industry was made through the Budget process with no prior consultation with the industry representative organisations or the Authority itself. This decision will limit the capacity and opportunity for the Australian Grape and Wine Authority to invest in other activities.

Control

The Bill represents a shift in the responsibility for the payment of membership fees to an international grape and wine organisation to the Australian Grape and Wine Authority, however there is no corresponding transfer of control regarding the management of that membership. There is no explanation in the Bill as to how decisions about future memberships will be made. There is no

provision for the evaluation of the performance or benefit such a membership brings; and no authority relating to joining a new organisation, or the cessation of membership of an existing one.

Matched funding

The Bill does not make it clear whether the fees paid by the Australian Grape and Wine Authority for membership of an international grape and wine organisation will attract commonwealth matching funding where eligible. The Bill should be amended to expressly provide that, for the avoidance of doubt, nothing precludes a membership contribution amount may from being deemed to have been applied pursuant to section 35(1)(ac) of the *Australian Grape and Wine Authority Act 2013* (meaning that payment of an amount equal to one half of the membership contribution amount, or a portion of that amount, would be payable to the Australian Grape and Wine Authority out of the Consolidated Revenue Fund).

In any event, the Australian Grape and Wine Authority seek confirmation that membership contribution amount is not precluded from being deemed to have been applied pursuant to section 35(1)(ac) of the *Australian Grape and Wine Authority Act 2013*.

The Australian Grape and Wine Authority would like to thank the Committee for the opportunity to provide this submission.

Yours sincerely

Andreas Clark
Acting Chief Executive