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## MEDIA RELEASE

### Sour grapes and half measures in Budget 2025

Australian Grape & Wine has expressed deep disappointment at the Albanese Government's failure to deliver meaningful support to the grape and wine sector in the 2025-26 Federal Budget, describing it as a second major missed opportunity in as many years.

"This Budget is another blow for growers and winemakers across Australia," said Chief Executive Lee McLean. "It fails to deliver the targeted programs or strategic investment needed to address the serious challenges facing one of Australia's most iconic and economically important regional industries."

Australian Grape & Wine acknowledged the Government's pre-budget announcement to increase the Wine Equalisation Tax (WET) producer rebate cap to \$400,000 from 1 July 2026, describing it as a welcome measure for some small and medium-sized producers.

"We welcome the increase to the WET rebate cap — it will assist some producers with much-needed tax relief in the years ahead," said McLean. "But tax relief alone doesn't address the structural crisis gripping our industry, largely driven by the lingering impacts of trade impediments our producers did not initiate, or deserve."

The Budget includes \$6.8 million for international agricultural engagement and market access, which may benefit some wine exporters. However, Australian Grape & Wine warned that this falls well short of the coordinated, sector-specific investment required to diversify markets and rebuild export momentum.

"This isn't the bold action our sector has been calling for — it's a modest allocation spread across all of agriculture," Mr McLean said. "We asked for targeted investment in sustainability programs, export assistance, and domestic tourism development. None of that has materialised."

"The re-opening of the China market is a welcome development, but it's not a silver bullet. The oversupply of red wine alone sits at more than 330 million litres. Businesses are selling water rights to put food on the table or pay power bills. They're laying off staff, and many growers haven't drawn a wage in years. The impact on regional economies is profound — and the need for support has never been more urgent."

Australian Grape & Wine remains committed to fighting for growers, winemakers, and the future of wine communities across the country.

"We're not giving up," said McLean. "Our industry contributes \$45.5 billion to the economy yet has once again been left to wither on the vine. It's time for the Government to step up and show it values the people, regions, and industry that have contributed so much to this country. Before it's too late."

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#### **About Australian Grape and Wine Inc**

Australian Grape and Wine Inc is the national association of grape and wine producers. We address issues across the supply-chain that impact on the profitability and sustainability of the sector. We lead and advocate public policy that enhances the ability to responsibly produce, promote and enjoy Australian wine in moderation.

Australian Grape & Wine is recognised as a representative organisation for winegrape and wine producers under the Wine Australia Act 2013, and is incorporated under the SA Associations Incorporation Act 1985. We work in partnership with the Australian Government to develop and implement policy that is in the best interests of winegrape growers and winemakers across Australia.