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MEDIA RELEASE

Budget reveals continued Government inaction as wine industry crisis deepens

Australian Grape & Wine has expressed deep disappointment following tonight's Federal Budget, warning the Government has missed a critical opportunity to support an orderly transition in the wine sector and minimise the impact on regional communities.

Despite providing a comprehensive, evidence-based suite of targeted measures in its Pre-Budget Submission, the industry has received no new funding. These measures were not designed to maintain the status quo, but to enable an efficient adjustment to a clear structural imbalance. This marks the third consecutive year that calls for targeted intervention have gone unanswered.

Worse still, the Government has confirmed it will phase out the Wine Tourism and Cellar Door Grant program - effectively removing \$10 million per year from one of the only Federal programs wine businesses have been able to access - and cutting a critical source of support for regional wine businesses.

"At the worst possible time, this Government has chosen to withdraw a program that directly supports regional businesses," said Lee McLean, Chief Executive of Australian Grape & Wine.

"For many producers, this is essential to maintaining cashflow and profitability. Ending it now effectively pulls the rug out from under businesses already facing enormous pressure.

"This Budget is a bitterly disappointing outcome for an industry under significant and sustained strain.

"We did not ask for a handout. We put forward practical, targeted measures to support an orderly transition, reduce long-term costs, and minimise the impact on regional communities. Once again, the Government has chosen not to act."

The sector continues to face a structural supply-demand imbalance, compounded by the loss of key export markets, rising input costs, and global uncertainty. Australian Grape & Wine has been clear that supply must adjust to market realities, and that work is already underway. However, the scale and speed required cannot be achieved by industry alone.

"The expectation that industry can manage this adjustment alone is unrealistic," Mr McLean said.

"Without government partnership, the cost will not be avoided, it will simply be shifted. It will fall not just on growers and winemakers, but on government and taxpayers as the consequences of a disorderly industry collapse unfold.

"Without timely support, this will not be an orderly adjustment. It will mean growers walking away from vineyards they can no longer afford to maintain, leaving environmental risks and communities without the capacity to respond.

This is not about propping up production. It is about enabling transition. Without targeted support to remove the barriers to exit, redevelopment or diversification, that transition will be slower, more costly, and far more damaging.

"If that approach continues, the legacy of this Government risks being the decimation of Australia's wine sector, and the loss of regional communities and livelihoods that depend on it."



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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.

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.