AUSTRALIAN Grape & Wine



SUBMISSION:
Improving the efficiency of climate-related financial disclosures

October 2026

About Us

Australian Grape and Wine Incorporated (Australian Grape & Wine) is Australia's national association of grape and wine producers, recognised as the representative organisation for the sector under the *Wine Australia Act 2013* and incorporated under the *SA Associations Incorporation Act 1985*. Our role is to help forge a political, social and regulatory environment - in Australia and overseas - that enables profitable and sustainable Australian grape and wine businesses. To do this, our activities focus upon the objective of providing leadership, strategy, advocacy, and practical support. We represent small, medium and large winemakers and winegrape growers Australia-wide.

Wine is grown and processed in every state of Australia and there are over 2100 wine producers and 5000 grape growers across Australia. The sector has traditionally been a leader amongst agricultural industries in promoting locally grown and value-added production. Wine's strong connection to, and reliance on, the land makes it unique in beverage manufacturing. It contributes $51.3 billion gross output to the economy and particularly to regional economies supporting employment of over 200, 000 people in winegrape growing and production, regional exports and food and wine tourism. [1]

Australia's grape and wine sector has a long-standing commitment to environmental stewardship and continuous improvement. Sustainability is increasingly embedded in business decision-making across vineyards and wineries as producers respond to the impacts of climate change, evolving market expectations and growing environmental, social and governance (ESG) requirements. Central to this commitment is Sustainable Winegrowing Australia (SWA), the national sustainability program for grape growers and winemakers, which is jointly supported by Australian Grape & Wine, Wine Australia and the Australian Wine Research Institute. SWA provides a nationally consistent framework for businesses to measure, benchmark and continuously improve their environmental, social and economic performance, while offering independently audited certification for participating businesses.

This submission reflects the broader perspectives of the Australian wine sector and is generally consistent with the views presented by the South Australian Wine Industry Association (SAWIA) in emphasising practical, proportionate, and achievable disclosure frameworks.

Executive Summary

Australian Grape & Wine (AGW) supports climate-related financial disclosure requirements that provide credible, decision-useful information and remain aligned with the expectations of international markets and investors. As the national peak body for Australia's grape and wine sector, AGW recognises the importance of robust climate reporting. However, reforms must remain proportionate, practical and cost-effective, particularly given the diversity of businesses across the wine supply chain and the challenging commercial conditions currently facing many grape growers and wine producers.

The recommended reforms presented in this submission would improve reporting efficiency while maintaining the integrity and usefulness of climate-related disclosures.

[1] Gillespie Economics (2025) https://www.wineaustralia.com/market-insights/australian-wines-economic-contribution

Level 1, Industry Offices National Wine Centre Botanic Road Adelaide SA 5000 | PO Box 2414 Kent Town SA 5071 | **T** +618 8133 4300 **E** info@agw.org.au

Summary of recommendations:

Recommendation 1: Maintain limited assurance requirements and focus on improving consistency, capability and guidance within the existing framework;

Recommendation 2: Develop practical sector-specific guidance and align reporting requirements with existing industry sustainability frameworks where appropriate;

Recommendation 3: Support the development and expansion of industry-led sustainability reporting frameworks and data collection systems that improve reporting capability, particularly for small and medium-sized businesses, and reduce duplication across supply chains;

Recommendation 4: Protect small and medium-sized businesses from disproportionate value-chain reporting burdens; and

Recommendation 5: Retain flexibility in Scope 3 emissions reporting methodologies, recognise the accepted use of emissions factors and other appropriate secondary data sources where primary data is not readily available.

Introduction

Australian Grape & Wine welcomes the opportunity to provide feedback on the Consultation Paper *Improving the efficiency of climate-related financial disclosures*.

Australia's wine sector is highly export-oriented and operates within globally integrated supply chains. Climate-related disclosure requirements should therefore maintain consistency with international reporting expectations when required while recognising the practical realities faced by Australian businesses.

The wine sector comprises a relatively small number of large companies that are likely to be directly subject to reporting requirements, alongside approximately 5000 grape growers, 2000 wineries and multiple suppliers and service providers that are at risk of being adversely impacted indirectly through value-chain reporting obligations. The vast majority of these businesses are small and medium-sized enterprises with limited resources and reporting capability.

Accordingly, climate reporting requirements should be proportionate, practical and designed to avoid unnecessary costs while still supporting high-quality disclosures.

Proposal 1: Assurance Requirements

AGW supports maintaining limited assurance on an ongoing basis. Feedback from wine businesses already implementing climate reporting indicates that compliance costs associated with limited assurance are already substantial and extend well beyond assurance fees. Significant investment is often required in data systems, governance processes, staff capability and advisory support.

Given the inherent uncertainty associated with climate-related information, particularly Scope 3 emissions, scenarios, estimates and forward-looking assessments, AGW is not convinced that moving to reasonable assurance would provide benefits proportionate to the additional cost imposed on reporting entities. AGW also notes that assurance approaches remain relatively immature, with differing interpretations and evidence requirements across assurance providers. Greater consistency within the existing limited assurance framework should be prioritised before any consideration is given to a higher assurance threshold.

Recommendation 1: Maintain limited assurance requirements and focus on improving consistency, capability and guidance within the existing framework.

Proposal 2: Improving Consistency of Application

AGW strongly supports the development of additional implementation guidance. Many businesses continue to experience uncertainty regarding:

- assessment of material climate-related risks and opportunities;
- evidentiary requirements supporting materiality assessments;
- expectations regarding financial quantification; and
- interpretation of "reasonable and supportable information… without undue cost or effort".

Sector-specific guidance, practical examples and case studies would significantly improve consistency and reduce compliance costs.

AGW also encourages stronger alignment between climate reporting requirements and established industry sustainability programs, particularly Sustainable Winegrowing Australia (SWA). These programs already collect substantial amounts of environmental and operational data relevant to emissions measurement and climate-related reporting. Greater recognition of existing industry systems would reduce duplication, improve efficiency and support more consistent reporting outcomes.

Recommendation 2: Develop practical sector-specific guidance and align reporting requirements with existing industry sustainability frameworks where appropriate.

The Government should also consider opportunities to invest in and support industry-led reporting frameworks that can efficiently collect, verify and aggregate sustainability-related data across supply chains. In the Australian wine sector, Sustainable Winegrowing Australia already provides a nationally consistent platform for measuring and benchmarking environmental, social and economic performance. Further investment in tools, emissions accounting methodologies, data interoperability and reporting capability would help reduce compliance costs for businesses, improve the consistency and quality of disclosures, and facilitate more efficient reporting throughout the value chain. Supporting established industry programs represents a practical means of building Australia's sustainability reporting capability while avoiding duplication of effort and reporting systems.

Recommendation 3: Support the development and expansion of industry-led sustainability reporting frameworks and data collection systems that improve reporting capability, particularly for small and medium-sized businesses, and reduce duplication across supply chains.

Proposal 3: Value Chain Information Requests

AGW supports measures that establish clearer boundaries around value-chain information requests and prevent disproportionate reporting burdens being transferred to smaller businesses. Australia's wine sector consists of complex supply chains involving thousands of independent grape growers and wineries of varying scale and capability. While only a small number of businesses may be directly subject to reporting requirements, many more will experience indirect reporting demands through customer and supply-chain relationships.

AGW supports maintaining flexibility in Scope 3 reporting methodologies. A single prescribed approach is unlikely to suit all businesses. While large reporting entities may seek supplier-specific emissions data where available, as it can provide a more accurate reflection of emissions performance and support emissions reduction initiatives, this information is often difficult and costly for smaller suppliers to generate. Importantly, the climate disclosure regime is directed at large reporting entities and was not intended to impose de facto reporting obligations on the thousands of small and medium-sized businesses (SMEs) that participate in their supply chains. Many grape growers and wine businesses fall into this category and lack the resources, expertise and systems required to produce highly detailed emissions data. This challenge is particularly acute in the wine sector, where wineries routinely source fruit from numerous growers across multiple regions and products may comprise complex blends incorporating fruit from hundreds or even thousands of individual vineyard parcels. Tracing, quantifying and attributing vineyard-level emissions to individual finished wine products can therefore be highly complex, costly and, in some cases, of limited practical value.

Reporting frameworks should recognise these realities and avoid creating indirect reporting burdens on SMEs that extend beyond the original intent of the legislation, by maintaining flexibility for reporting entities to use appropriate secondary data, industry-average emissions factors and other pragmatic approaches. Regulatory frameworks must include explicit safeguards to ensure large reporting entities do not place undue pressure on SME suppliers to provide granular emissions data that exceeds baseline standard requirements.

Accordingly, reporting frameworks should continue to maintain flexibility allowing the use of:

- secondary emissions factors;
- industry-average emissions factors;
- supplier-specific data where available and appropriate, and without creating undue reporting obligations on small and medium-sized businesses; and
- hybrid approaches that reflect business size, risk and data availability.

Sustainable Winegrowing Australia may provide a practical mechanism to support emissions reporting through both business-level and aggregated industry emissions data.

Recommendation 4: Protect small and medium-sized businesses from disproportionate value-chain reporting burdens; and

Recommendation 5: Retain flexibility in Scope 3 emissions reporting methodologies, recognise the accepted use of emissions factors and other appropriate secondary data sources where primary data is not readily available.

Conclusion

The Australian wine sector remains firmly committed to environmental sustainability and transparent reporting. We welcome ongoing collaboration with the Government to ensure that climate-related financial disclosure requirements are implemented in a practical, proportionate, and cost-effective manner. By leveraging established industry frameworks like Sustainable Winegrowing Australia and safeguarding small and medium-sized enterprises from disproportionate reporting burdens, we can achieve meaningful climate disclosures that support both global market expectations and the ongoing commercial viability of Australia's grape and wine producers.

Contacts

We would be delighted to discuss this submission further should this be required.

Helen Strachan
Acting Managing Director
National Wine Centre, Botanic Road, Adelaide SA 5000 |
Mobile: +61 415 505 469
Email: info@agw.org.au

Anna Hooper
Director Economic and Environmental Policy
National Wine Centre, Botanic Road, Adelaide SA 5000 |
Mobile: +61 427 685 077
Email anna@agw.org.au