SOUTH AUSTRALIAN
WINE INDUSTRY ASSOCIATION

ELECTION PLATFORM 2026

Wine South Australia

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The South Australian Wine Industry Association acknowledges Traditional Owners of Country throughout Australia and recognises their continuing connection to lands, waters and communities. We pay our respect to Aboriginal and Torres Strait Islander cultures and to Elders past and present.

From the

President & Chief Executive

The South Australian Wine Industry Association (SAWIA) has proudly supported South Australia's wine industry since 1840. Today, SAWIA represents approximately 96% of all winegrapes crushed in the state and around 40% of vineyard area, reflecting our enduring commitment to the prosperity and integrity of this vital sector.

We value our long-standing partnership with the South Australian Government and the opportunity to work collaboratively to advance the interests of our state's wine industry. SAWIA is focused on delivering work that supports the long-term viability and success of the sector, which must be sustainable and nationally and internationally competitive.

We are encouraged by the government's continued focus on the wine industry's enduring needs. Key issues for our industry include regional infrastructure, workforce development, regional tourism, and water security. This work must continue.

However, the past five years have brought unprecedented challenges and uncertainty. Despite the resilience demonstrated by our producers, the industry is at a tipping point of no longer being able to meet the escalating challenges, and requires targeted, coordinated support to adapt, innovate, and thrive into the future.

SAWIA is well positioned to contribute to the design and delivery of the programs identified within this election platform. In doing so, we will ensure that all facets of our industry are represented, from growers to exporters, from small family-owned businesses to large operations, and from long-standing participants to new and emerging entrants.

We are prepared and committed to working through the tough decisions essential for industry transformation, and look forward to continuing our constructive partnership with the South Australian Government to secure a strong, vibrant, and sustainable future for our state's wine industry, and to uphold South Australia's global reputation as a leader in the production of premium wine.

Kirsty Balnaves
President

Inca Lee
Chief Executive

Wine is **South Australia**

The wine industry is a cornerstone of South Australia's economy and identity:

- With **exports worth $1.8 billion annually** at the end of June 2024.
- Contributing **$1.176 billion through wine tourism** in that same time period.
- Supporting **8,991 direct and 81,900 indirect jobs**.

As of 2025, South Australia is home to 74,591 hectares of grapevines and 3,160 grapegrowers, accounting for 52% of the nation's vineyard area. There are more than 680 wineries in SA, contributing nearly half of Australia's total crush. South Australia makes up 57% of the country's wine exports by volume and 74% by value. And our industry is a key economic driver for the state, a top 4 most valuable export, and supports regions, employment and the visitor economy.

The industry underpins the livelihoods of growers, producers, and small businesses across 18 regions, including the Barossa, McLaren Vale, Clare Valley, Langhorne Creek, Coonawarra, Adelaide Hills, Limestone Coast and the Riverland.

Beyond the farm gate, its economic impact multiplies: for every $1 million of output from the wine sector, the wider economy gains $2.16 million through employment, logistics, tourism, and hospitality linkages.

Reputationally, South Australian wine is central to the state's global brand. It represents quality, craftsmanship, and provenance, values that attract international visitors and investors alike.

For government, continued investment in the wine sector is both an economic necessity and a strategic choice. Initiatives like the state's $3.9 million Global Wine Growth Program are driving competitiveness in established and emerging export markets including China, North America, UK, and Southeast Asia.

Public support amplifies private investment, sustains regional employment, and ensures resilience against market volatility and climate challenges.

By continuing to invest, the South Australian Government not only safeguards one of the state's most valuable export industries but also strengthens regional communities, tourism economies, and global reputation, all of which are vital for long-term economic prosperity and state identity.

Wine is more than just the end product; the industry represents a large opportunity to increase our state's economic complexity, grow and strengthen our regions, and more.

An industry **under pressure**

South Australia's wine industry has long supported our regional communities, driven tourism, and promoted South Australia overseas.

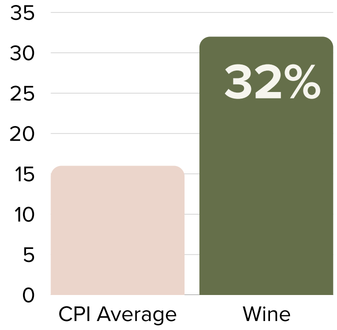
In the last five years, we have absorbed many challenging, compounding external shocks, pushing winemaking and grape growing below the cost of production, and reducing the financial capacity of the industry to absorb any further disruption, invest in maintaining market share, or protect its asset base of vineyards, wineries and inventory.

We are now at a tipping point, with some of the lowest prices in decades meeting escalating costs, softening demand, a tight domestic retail landscape, and significant uncertainty regarding performance of the China market given changing consumption trends.

Grape purchase prices for contracted grapes in Vintage 2026 are the lowest in decades, in many cases below the cost of production, reflecting very high wine inventory levels of **more than 2 years of red wine in tank** resulting from being out of the China market for 3 years and softening demand.

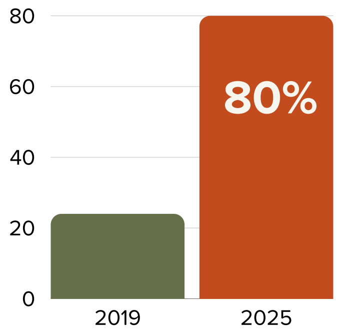
Without additional government investment in both immediate structural adjustment, demand growth, and regional capacity, our cornerstone industry cannot withstand future shocks, threatening regional jobs and South Australia's global wine reputation.

Increases in the cost of wine production have outpaced CPI



Wine production costs (including supplies, energy, labour, transport, insurance) have grown significantly in 3 years compared to the 3-year Australian CPI increase of 16.2% over the same time period.

Contributing to the lowest recorded level of business confidence



Jumping from 24% worried about their business in 2019 to 80% in 2025, the lowest since SAWIA started measuring. This increases demand for support programs and decreases investment in businesses.

With 79% of SA wine and grape businesses reporting being unprofitable or only marginally profitable in 2025.

With
increasing burdens

The estimated cost to SA winemakers from the Container Deposit Scheme (CDS) is an extra

$40 million per year or $30,000 per year per business

We are deeply committed to sustainability across our supply chain: from grape growing to wine production and packaging, and sharing our wine with consumers.

SAWIA opposes expanding container deposit schemes to include glass wine bottles, given that the reported marginal benefits do not outweigh the costs to both industry and government. Further, a recent report from a Queensland parliamentary committee delivered scathing criticism regarding the governance of their Container Refund Scheme.

SAWIA reaffirms its consistent stance that the government must first conduct a thorough assessment of international best-practice glass recycling models before enacting any policy changes. This approach is vital to ensure that any new policy delivers meaningful, measurable benefits and that associated costs are minimised and fairly and transparently distributed among all stakeholders.

In announcing the expansion in September, the SA Government committed to working with industry to ensure “the least cost, simplest approach possible”.

As the state producing 80% of Australia’s premium wine, we need the SA Government and EPA to champion fair, practical arrangements in national CDS negotiations.

However, it is evident from recent multistate discussions that there is a distinct lack of harmonisation across jurisdictions, consideration of a simple system, or effective mechanisms to minimise cost impact. It's untenable to have a winemaker registering, reporting and paying in every jurisdiction separately, each with different rules and regulations.

SAWIA urges that the proposed expansion be placed on hold across all states and territories to allow the SA Government sufficient time to honour its promise and address the essential requirements of the wine industry, including:

- Costs to be shared equitably among all stakeholders, not just borne by winemakers.
- One national CDS system for registration, reporting, invoicing and payment, to cut duplication and save an estimated $10 million a year for SA winemakers.
- Business relief through thresholds, exemptions, or rebates to minimise cost impact.
- Reasonable transition time and provisions to adapt.
- Transparent governance and wine industry representation in scheme oversight.
- No increases to refund amounts or scheme fees.

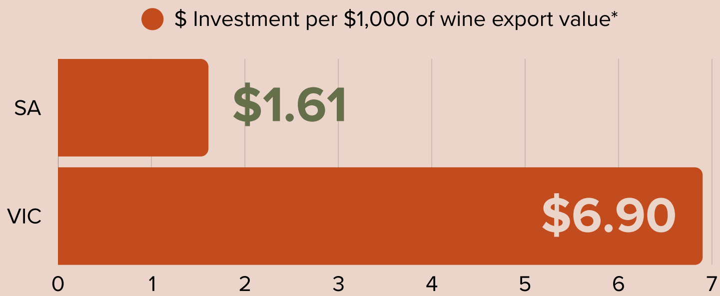
And investment **outmatched**

When China's tariffs abruptly shut down South Australia's largest wine export market in 2021, the wine industry was left exposed. Both the Commonwealth and previous South Australian governments offered limited financial assistance. New programs, such as the Accessing New Markets Initiative (ANMI), managed through Austrade, are welcome but unlikely to yield meaningful funding to impacted businesses. While support is appreciated, its limited amounts leave producers to absorb the devastating impacts.

Export diversification programs were welcomed, but compared to the billions lost in value, and with only partial success in transitioning surplus wine to other markets, it will take years to rebalance supply.

Other state governments are outspending South Australia relative to the value and volume of South Australian wine in the national context – and it's paying dividends for our interstate competitors, proving that investment yields results, increased market share, international relationships and reputation.

The wine industry acknowledges the South Australian Government's commitment to revitalising engagement with China through the $1.85 million China Re-Engagement Support Package, as well as its efforts to grow preference for South Australian wine via the Global Wine Growth Program. Nevertheless, it is important to note that South Australia currently invests less per dollar of export value compared to Victoria. As a result, South Australia's export performance is declining, while Victoria's is showing marked improvement.



Victoria invests over **4x** more per $1,000 of wine exports than South Australia.

In the last 12 months SA is the only state to have recorded a **10% decline** in volume of export sales coupled with static value. In comparison, Victoria saw a volume increase of 4.8% and value increase of 7.8%.

*based on a comparison of the $3.8M Victorian Wine Export Program and SA's Global Wine Growth Program and China Re-Engagement Support Package

The opportunity for SA Government

South Australia's government has a strong record of acting decisively when the state's future is on the line, showing that leadership means taking bold and practical steps to protect important industries and jobs across the state. The challenges now facing our wine sector require that same resolve.

We ask the South Australian Government to help ensure the wine sector remains a vital, future-ready driver of economic growth and regional identity. SAWIA and industry understand that difficult business decisions will be necessary and we are prepared to play our part.

We welcome the Government's existing investment in our sector. At the same time, **the CDS imposes additional operational and financial burdens that directly restrict our capacity to grow preference for SA wines and invest in development, making continued government investment critical.**

Our industry is not only about maintaining our current contribution. It represents a major opportunity to build economic complexity, increase value-adding, and grow exports for South Australia.

Structural reform & supply rebalance

Partnering to explore, understand, and cost forward pathways and options.

Export market expansion & diversification

- **Provide South Australian Wine Export Accelerator Grants.**
- **Boost the Global Wine Growth Program to $5 million annually for 5 years.**

Domestic Demand & Tourism

- **Invest $1.25 million annually over 5 years in a National Growth Program for South Australian wine.**
- **A specific wine tourism strategy.**

Industry Development

Continue P250 with a new 4-year funding deed from 1 July 2026 increased to $450k per year and indexed annually.

Structural reform & **supply rebalance**

South Australia's wine industry stands at a defining moment. After decades of remarkable growth and global success, shifting market realities have exposed deep structural pressures, including an oversupply of red wine grapes and red wine inventory, and a contraction in demand. The legacy of rapid expansion coupled with the impact of being out of China for 3 years created a mismatch between what our vineyards produce and what markets now call for. This imbalance threatens grower and winemaker viability, regional economies, and the long-term sustainability of one of South Australia's most important industries.

The chronic and acute oversupply issues are not exclusive to South Australia or even Australia. Other jurisdictions have recognised the need to support structural reform and industry transition to allow growers to exit the market, move to alternative crops or retrain in regionally in-demand skills and occupations.

By facing these challenges directly, South Australia can turn a difficult adjustment into an opportunity. It is a challenge that will need to be tackled nationally as well as locally, with involvement of the Commonwealth and State governments in partnership with industry. SA Government through PIRSA has taken a lead role in this challenge already, through the Viticulture and Wine Sector Working Group, Riverland Wine Industry Blueprint, and the SA Wine Recovery Program set to deliver projects to assist recovery following rebalancing.

Achieving structural reform and supply rebalance will require a range of options for current industry participants that will need to be supported, including:

- Avenues to access working capital.
- Inventory management.
- Retirement.
- Waste removal.
- Planning considerations.
- Diversification of revenue streams.
- Exit to entirely new roles.

We need to invest in understanding how various transition measures may impact the market and affect our growers and winemakers.

SAWIA's immediate and ongoing priority is to work with growers, winemakers, and government to co-design a shared approach to industry transition and supply rebalance that is fair, sustainable and sets up SA's wine industry for enduring success across all regions.

We look forward to working with the South Australian government to deliver outcomes for growers and winemakers.

Export market expansion **& diversification**

Between 60-75% of SA's wine is destined for export

$1.8 billion

of wine exports in the 12 months to September 2025

SA makes up 74% of Australia's exports by value

Global demand is the **lowest on record since 1961**

13%
since 2017

The South Australian Government has a longstanding history of implementing programs designed to stimulate market activity during periods of softening demand. These initiatives have included targeted interventions such as payroll tax relief, export grant programs, and direct financial incentives that help businesses maintain growth and competitiveness when market conditions weaken. Continuing this support is vital to safeguarding local industry, promoting job creation, and ensuring the resilience of the state's economic landscape in fluctuating market environments.

Together, these asks form a complementary, mutually reinforcing package designed to accelerate impact and protect the future of South Australia's wine industry. Immediate export grants would inject critical cash flow to help producers sustain and expand in international markets, buying time and opportunity for businesses to innovate and stay competitive. Importantly, both programs would be built on co-investment with industry, ensuring every public dollar goes further, leveraging private capital to multiply outcomes.

Combined, they deliver both the short-term fuel and the strategic foundation needed to stabilise and strengthen the industry, positioning South Australian wine for renewed growth and enduring international success.

NEW SA WINE EXPORT ACCELERATOR GRANTS

South Australian wine is now enjoyed in over 95 countries, a testament to our global reputation for quality and innovation. However, market entry and expansion remain resource-intensive and high-risk.

A new **South Australian Wine Export Accelerator Grant** would build on the foundation of the Export Market Development Grants (EMDG) and target businesses that are export-ready, but are not eligible for EMDG, with differentiated products and strong brand identities, but need support to get on the ground, innovate or scale in international markets.

This initiative would accelerate the global growth of South Australian wine, strengthen the state's premium brand in key markets, and enhance long-term industry resilience. It would provide the co-investment for producers to:

- Sustain current market interests and drive preference for South Australian wine.
- Pursue new and expanding market opportunities.
- Adapt and diversify grape and wine products to meet international standards and consumer preferences.
- Build sustainable distribution partnerships overseas.

Administered by the Department for State Development or in partnership through SAWIA, this scheme will help to smooth out market volatility, explore and drive opportunities at the individual business level, and better position South Australian wine as a premium global offering in mature and emerging markets, driving jobs, regional investment, and economic diversification for the state.

BOOST THE GLOBAL WINE GROWTH PROGRAM FUNDING TO $5 MILLION ANNUALLY FOR 5 YEARS

The Department of State Development's **Global Wine Growth Program** is helping South Australia's wine producers expand their reach and capture high-value markets, at an investment of $3.9 million across two years.

By connecting wineries to export opportunities, trade missions, and in-market activations, the program drives growth across the industry value chain from vineyard to cellar door to global shelf.

But when other governments are investing more heavily in driving international wine demand than South Australia, we risk losing ground in both international and domestic wine markets.

The program already has demonstrated success, with wine producers co-investing in trade delegations and in-market activations. Increasing the fund to a total of $5 million per year for five years, continued to be delivered by DSD with input from SAWIA's Export & Trade Committee, will better position South Australia to recover our export position and compete internationally, and provides longer term certainty to develop trust-based international relationships, and responds to shifts in global purchase patterns and geopolitical uncertainty.

Domestic demand & tourism

There has been a

3%

decline in volume of Australian wine sold domestically in the last 12 months, which is

7%

below the 10-year average.

Growing domestic demand is vital to the future strength of South Australia's wine industry. With national consumption shifting and competition intensifying, capturing more of the domestic market helps us keep regional jobs and competitive producers.

While our global reputation opens doors overseas, a thriving home market provides stability and resilience to international market uncertainty.

Building demand at home helps future-proof the industry: keeping our wines on every table, every list, and in every story about what makes this state exceptional.

INVEST $1.25 MILLION ANNUALLY OVER 5 YEARS IN A NATIONAL GROWTH PROGRAM FOR SOUTH AUSTRALIAN WINE

A $1.25 million annual investment over five years in a **National Growth Program for South Australian Wine** will create in-bound and out-bound activations for domestic markets and targeted promotional activity, improving exposure to South Australian wines, enhancing connections, and supporting small and medium sized producers. Our competitors, including other states, are also making significant investments in activating domestic markets, and we need to maintain our competitive edge.

This program will build on the boosting domestic demand stream of the SA Wine Recovery program, to be delivered by SAWIA in 2026. With a focus on our main markets of QLD, NSW, and VIC, we will also explore partnering with **Brand SA** to strengthen our offerings to South Australian audiences. This work could include integrated marketing campaigns, activations, major events and retail collaborations.

Examples of SA wine region tourism statistics show challenges.
% changes from 2023 to 2024

	Visits	Spend
Adelaide Hills	-14%	-34%
Barossa	-29%	10%
Clare	-2%	-15%
Fleurieu incl. McLaren Vale and Langhorne Creek	-16%	-38%

Wine needs to remain at the heart of South Australia's tourism marketing and product development, with **a specific wine tourism strategy**, championed alongside the South Australian Tourism Commission. This strategy should include incentives to drive regional visitation and funding opportunities for cellar doors to enhance their wine tourism experience, and should leverage every major event in South Australia to drive sales and dispersal of visitors to regions.

Industry **development**

Investing in industry development is essential for ensuring long-term competitiveness, resilience, and innovation within key economic sectors, including wine.

In South Australia's wine industry, the established Funding Deed colloquially known as 'P250', has exemplified this by delivering targeted funding for grass-roots regional development projects that build business skills and capability, enhance regional branding, and foster stronger market connections. By supporting such activities, P250 strengthens the foundation for sustainable growth while helping producers face current challenges like market disruptions, cost of business and climate impacts.

Its strategic value lies in catalysing collaboration across regions, futureproofing the sector against emerging risks, and positioning South Australian wine as a leader in quality and capability for both domestic and international markets.

P250 has operated in various forms since 2010, supported by the same annual funding level for more than a decade. We are calling on the South Australian Government to continue this vital program and to update the funding to reflect the cost of doing business today. **We propose a new funding deed commencing 1 July 2026 at $450k per year, with annual indexation, to ensure sustainability and impact.**

A NEW 4 YEAR FUNDING DEED AT $450K PER YEAR

This program provides flexibility to deliver a range of programs, from regional capability uplift, business skills development, and business improvement, to addressing critical issues such as supply-demand imbalance, labour shortages, and the cost of business, as well as social responsibility requirements, and supporting grower and winemaker compliance with government legislation.

It has contributed in a meaningful way to the wine industry's contribution to regional and economic prosperity. For the 2018-2022 and 2022-2026 funding blocks, with one year yet to run on the latter, 119 projects have been delivered.

To date, for the 2022-2026 funding block, every $1 of grant funding has leveraged an additional $1.52 of co-investment.

The P250 has been successfully delivered and would continue to be effectively delivered by SAWIA and the regional associations.

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