



Australian Government

Australian Government response to the
The Rural and Regional Affairs and Transport Committee
report:

Australian winegrape purchases code of conduct

April 2026

Introduction

On 19 September 2024, the Code of Conduct for Australian Winegrape Purchases (Code) was referred to the Rural and Regional Affairs and Transport References Committee (the Committee) for inquiry and report by 28 February 2025.

The Committee's inquiry complements recent initiatives to address structural issues in the wine and grape sector. This includes the March 2024 agreement by the Australian Government and industry bodies on a national approach to address the oversupply of red wine and support future balance and profitability returning to the sector.

The Australian Government also announced the \$4.6 million Long-term Viability Support Package on 12 June 2024. This package took forward key recommendations from the Viticulture and Wine Sector Working Group Report (the Working Group). The Working Group was established in March 2024 to address Australia's red wine grape oversupply and comprises of representatives from federal, state and territory governments, Wine Australia, and Australian Grape & Wine. The group engaged directly with growers, winemakers, industry bodies, and local councils to develop a national response. This included funding to investigate the regulatory options available to improve fair trading, competitive relationships, contracting practices and risk allocation across the wine and grape value chain, from vineyard to retail shelf.

Also, as part of the Long-term Viability Support Package, the Australian Government appointed Dr Craig Emerson to lead an independent impact analysis of regulatory options for the Australian grape and wine sector.

Dr Craig Emerson's Review was published on Wine Australia's website on 14 July 2025. The review proposed 14 recommendations aimed at supporting a more sustainable and balanced operating environment for growers and winemakers. On 22 December 2025, the Australian Government accepted the findings of Dr Emerson's review and agreed with the primary recommendation to introduce a mandatory code of conduct for winegrape purchases.

The Australian Government acknowledges the Committee's report and welcomes the opportunity to respond.

Response

Recommendation 1

The committee recommends that the Treasurer, in consultation with stakeholders and the Australian Competition and Consumer Commission (ACCC), determines the most appropriate model for a mandatory code of conduct for Australian winegrape purchases (code of conduct) across all of Australia's winegrape growing regions, with a specific focus on the most impacted inland regions of the Riverland, Riverina, and Murray Valley (including Sunraysia); to be implemented by the ACCC. The code of conduct should establish fair and equitable terms addressing the following:

- payment terms to be limited to within the financial year of delivery at the latest;
- quality requirements including minimum standards, measurement methods, and what actions will be taken if the requirements are not met;
- earlier indicative pricing; and
- binding dispute resolution.

Response

The Australian Government **supports** this recommendation.

On 22 December 2025, in response to Dr Craig Emerson's independent impact analysis of regulatory options for the wine and grape sector, the Australian Government announced that it would introduce a mandatory Code of Conduct for Winegrape Purchases (mandatory Code) by 1 January 2027.

The Australian Government's response agreed:

- the mandatory Code should apply to winemakers whose purchases of grapes exceed a three-year moving average of 2,000 tonnes per annum
- the mandatory Code should require winemakers to make earlier, binding offers for each grape variety they seek under contract from the Riverland, Murray Darling and Swan Hill, and Riverina regions and that these prices be made public
- winemakers covered by the mandatory Code should be required to publish their payment terms, with the Government to monitor payment practices and carefully consider whether further improvements can be made
- objective standards for grape assessment of maturity, purity, condition and other grape parameters relating to quality – as contained in the existing voluntary Code – should be specified by winemakers subject to the mandatory Code in their contracts with grape growers

- any deductions from the offer price, or any other adverse decisions such as rejection of the grapes, must be clearly communicated to growers before any price deduction or adverse decision is made
- the mandatory Code should provide parties with appropriate avenues to resolve disputes, with the establishment of an anonymous complaints mechanism and protection against retribution included in the purpose of the mandatory Code.

The Government will work closely with industry to ensure that the mandatory Code is fit for purpose through consultation with an established advisory group to guide its implementation. The Government will review the mandatory Code after two years of operation.

Recommendation 2

The committee recommends that Wine Australia continues to facilitate and enhance the collection and dissemination of wine and grape information and data that it publishes, for the benefit of wine and grape growing sectors.

Response

The Australian Government **supports** this recommendation.

Wine Australia's Market Insights team provides a comprehensive range of statistics, data, analysis and insights on wine markets, grape growing and wine production, to assist grape grower and wine maker decision-making.

Wine Australia is also progressing work to establish a National Vineyard Register (NVR), funded as part of the Australian Government's Grape and Wine Sector Long-Term Viability Package.

The NVR will provide data on Australia's vineyard supply base to enable growers and wine makers to make more informed decisions on planting requirements to meet market demand. This tool will also assist in filling gaps in Wine Australia's data collection and market insight's function, which has limited data on Australia's national vineyard footprint.

The NVR will complement the existing data tools available to the sector including Wine Australia's Grape Price Indicators and Export dashboards.

Recommendation 3

The committee recommends that the Australian Government investigates the feasibility of distilling excess wine into industrial alcohol, or otherwise disposing of a portion of Australia's wine surplus.

Response

The Australian Government **notes** this recommendation.

Following extensive consultation with industry and independent analysis by Professor Kym Anderson, the Working Group did not recommend a government-subsidised distillation scheme at that time, noting concerns that it could distort the market and would not support the long-term viability of the sector.

The Working Group also found the costs of distillation subsidy schemes to taxpayers were substantial, making replication in Australia financially unviable for both industry and government. Examples from France and other wine producing member states of the European Union (EU) were analysed to have committed €160 million (\$279 million AUD) to distillation subsidy in 2024.

However, there may be merit in targeted or smaller-scale activities such as research or pilot studies to better understand the options available to holders of excess wine.

Recommendation 4

The committee recommends that the Australian Government, in consultation with Australian Grape and Wine Ltd, investigates potential support packages to aid growers in transitioning out of winegrapes and into other crops or land uses in the warm inland wine regions.

Response

The Australian Government **notes** this recommendation.

During July 2024, the Working Group recommended that action be undertaken to address barriers for grape growers and wine makers to exit and diversify from the industry.

The Working Group heard diverse views on this issue, with many growers expressing a strong desire to remain involved and pride in their family vineyards. Others sought to exit or diversify into more profitable crops. Those considering change highlighted barriers, including limited technical assistance, noting an absence of accessible technical advice on transitioning to alternative horticultural production, despite recognising opportunities in this area.

In response, the Australian Government commissioned Wine Australia and AgriFutures to support grape growers to diversify to other crops and adopt non-traditional revenue streams and niche markets. This project, funded under the

Australian Government's Grape and Wine Sector Long-Term Viability Package, aims to create viable long-term revenue for financially at-risk growers and maintain grower capacity to differentiate and extract value from their farming land.

Grape growers impacted by the oversupply may access a range of services including the Farm Household Allowance Program, the Farm Management Deposits Scheme, concessional loans from the Regional Investment Corporation, the Rural Financial Counselling Service, and the Age Pension Extended Land Use Test.

Recommendation 5

The committee recommends that Australian Grape and Wine provides an updated Pre-Budget Submission reflecting the current status of the Australia wine industry.

On the basis of that submission, the committee recommends that the Department of Agriculture, Fisheries and Forestry invests in Australia's wine market through the establishment of new trading partners, expansion of existing markets, and promotion of wineries and cellar doors domestically.

Response

The Australian Government **notes** this recommendation.

The Australian Government will continue to support the Australian wine industry to diversify and establish new markets while also promoting wine and cellar doors domestically.

Under the *Wine Australia Act 2013*, Wine Australia is responsible for promoting the consumption and sale of grape products, both in Australia and overseas. As part of the Australian Government's Grape and Wine Sector Long-Term Viability Package, \$1.9 million has been provided to Wine Australia to support trade and market development activities internationally and domestically. This includes funding for Country Managers in key markets, increasing Australia's presence at international trade shows, the development of training programs in key markets, and a domestic marketing campaign – *We make a wine for that*.

The Australian Government has provided \$3.1 million to support and extend the South Australia Wine Recovery Program. Federal funding is aimed to boost domestic demand for South Australian wine as well as positioning the local wine industry as the leading sustainable wine state.

The Australian Government is supporting the Australian wine industry to engage with current and emerging markets to negotiate more favourable technical market access conditions, and to prevent and resolve potential issues to trade. Recent achievements include new and expanded market access for organic wine under organics equivalence arrangements with India and Japan; as well as trade agreements with the United Arab Emirates and India both announced in September 2025.

The Department of Agriculture, Fisheries and Forestry's Overseas Agriculture Counsellor Network plays a vital role in advancing Australia's trade and market access priorities by promoting Australia's agricultural interests and building strong connections with government and industry stakeholders in key international markets. The Department also supports international trade in wine through its engagement in multilateral international wine fora such as the International Organisation of Vine and Wine and the World Wine Trade Group.

These efforts build on initiatives such as the Wine Tourism and Cellar Door Grant Program, which focus on growing domestic demand by encouraging visitors to wine regions. Since the Program opened in July 2019, over \$70 million has been provided to support cellar doors around Australia with over 1000 grants issued. The Program's seventh round awarded \$10 million to successful applicants in November 2025.