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South Australia’s wine regions seek budget aid

Industry leaders say tariffs, weak demand and rising costs have left producers needing targeted support to rebuild exports and tourism

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South Australia’s wine regions are pressing the state government for more financial support in next week’s budget, arguing that the industry is still dealing with the fallout from China’s tariffs, weaker demand and rising costs even after trade with China reopened.

Leaders from the Clare Valley, Barossa and McLaren Vale said the sector needs targeted help to rebuild exports, support regional jobs and encourage more domestic wine tourism. Their appeal comes as the state prepares to hand down its budget on June 4 and as producers say they are facing a mix of oversupply, flat visitation and volatile global markets.

The call for assistance follows a federal budget that included some small-business measures and support for export diversification, but did not provide direct relief for wine producers. Industry leaders said that was a missed opportunity at a time when many businesses are still trying to recover from the long disruption caused by tariffs imposed by China, once one of Australia’s most important wine markets.

Olivia Hoffmann Barry, board chair of the Clare Valley Wine & Grape Association, said the tariffs had helped create oversupply across the sector while consumer demand softened. She said rising input costs and global market volatility had made conditions worse. She called for more direct support for export market development, regional workforce pressures and transition programs for growers who may need to leave the industry or shift into other crops.

For regional communities, she said, the issue goes beyond business balance sheets. Wine regions also support tourism, agriculture and local employment, and their long-term resilience matters to the broader identity of South Australia.

In Barossa, industry leaders said businesses were trying to adapt by focusing on premium wines, direct sales to consumers, export diversification and tourism experiences tied to food, events and cellar-door visits. But they said those efforts were not enough on their own to offset falling wine consumption, higher operating costs and changing consumer preferences.

They want the state government to turn its policy commitments into a funded recovery plan for the wine sector. In McLaren Vale, leaders welcomed a $250,000 commitment aimed at agricultural diversification and expanding market opportunities, but said it was only a start. They are seeking more money for implementation, including matched export grants for producers ready to expand overseas, stronger support for domestic demand and wine tourism, and in-region expertise to help growers assess alternative

income streams.

The South Australian Wine Industry Association has argued that Victoria spends more than four times as much per $1000 of wine export value as South Australia does. Industry leaders say that gap has left South Australia at a disadvantage as it tries to rebuild export performance.

They want the state’s Global Wine Growth Program lifted to $5 million a year for five years and a new South Australian Wine Export Accelerator Grant program that would co-invest with export-ready producers entering international markets.

Even with China back open to Australian wine, exports have not returned to pre-tariff levels. Producers say they remain active in China, North America, East Asia and Britain, but competition is intense and demand is tightening in many markets. In Barossa, average prices per liter remain relatively strong, but growers say that has not been enough to ease pressure across the wider industry.

Across South Australia’s wine regions, businesses are also investing in digital marketing, sustainability practices and more efficient use of water and energy as they try to stay competitive. Industry leaders say those changes show resilience, but they also say public investment is needed if South Australia wants to maintain its position as Australia’s leading wine state.