



BREWERS
GUILD OF NEW ZEALAND

Vision Statement 2009/2010

Incorporating BrewNZ / Beervana

*Growing the beer sector through
education, communication and
celebration*

CHAIRMAN'S REPORT

2009 has been a momentous year for the Brewers Guild of New Zealand. We have moved our public face 'Beervana' to the Wellington Town Hall for our eighth year of BrewNZ in which we have succeeded in selling more tickets than our most successful year (2005) via presales before the doors even open for Beervana. 2009 augurs well for the Craft of Brewing. When we finally closed the doors 3500 people had attended.

The BrewNZ Awards have had a record level of entries with 350 recorded - up from last year's 209. We have introduced an International Champion Brewery alongside our New Zealand Champion Brewery. We have gone from 13 award categories in 2008 to 17 for 2010. The reintroduction of the Morton Coutts Trophy shows our industry commitment to foster innovation in brewing so New Zealand can be seen as a leader. We have increased our judging panel to 15 this year and added 3 trainee judge positions to show our commitment to education within our industry.

However, the Brewers Guild is not only about the BrewNZ Awards and Beervana. During the calendar year September 2008 to August 2009 we have begun many programmes to promote brewing. In March, the Brewers Guild arranged a beer delegation from our members to the Melbourne Beer & Brewer Expo. This was a marketing and commercial success which we intend to expand on in 2010.

This year the Guild has created a Brewers Guild and Beervana website to educate, inform and provide a place for our industry to gather. We have also created our own style guidelines to reflect the unique ingredients available for beer in New Zealand. This has enabled our industry to showcase styles which are distinctively kiwi and will assist in building our members' businesses and our worldwide profile. We have engaged a market survey firm, Market Knowledge, to survey our members and show to the world the diversity of New Zealand brewing styles and methods of dispensing that are used from pub breweries through to major commercial facilities.

With the Law Commission review being undertaken by Geoffrey Palmer, it has been important that our group makes itself a part of this process. We have made contact and are actively engaged in giving our views on the positive future for New Zealand as they review our drinking laws.

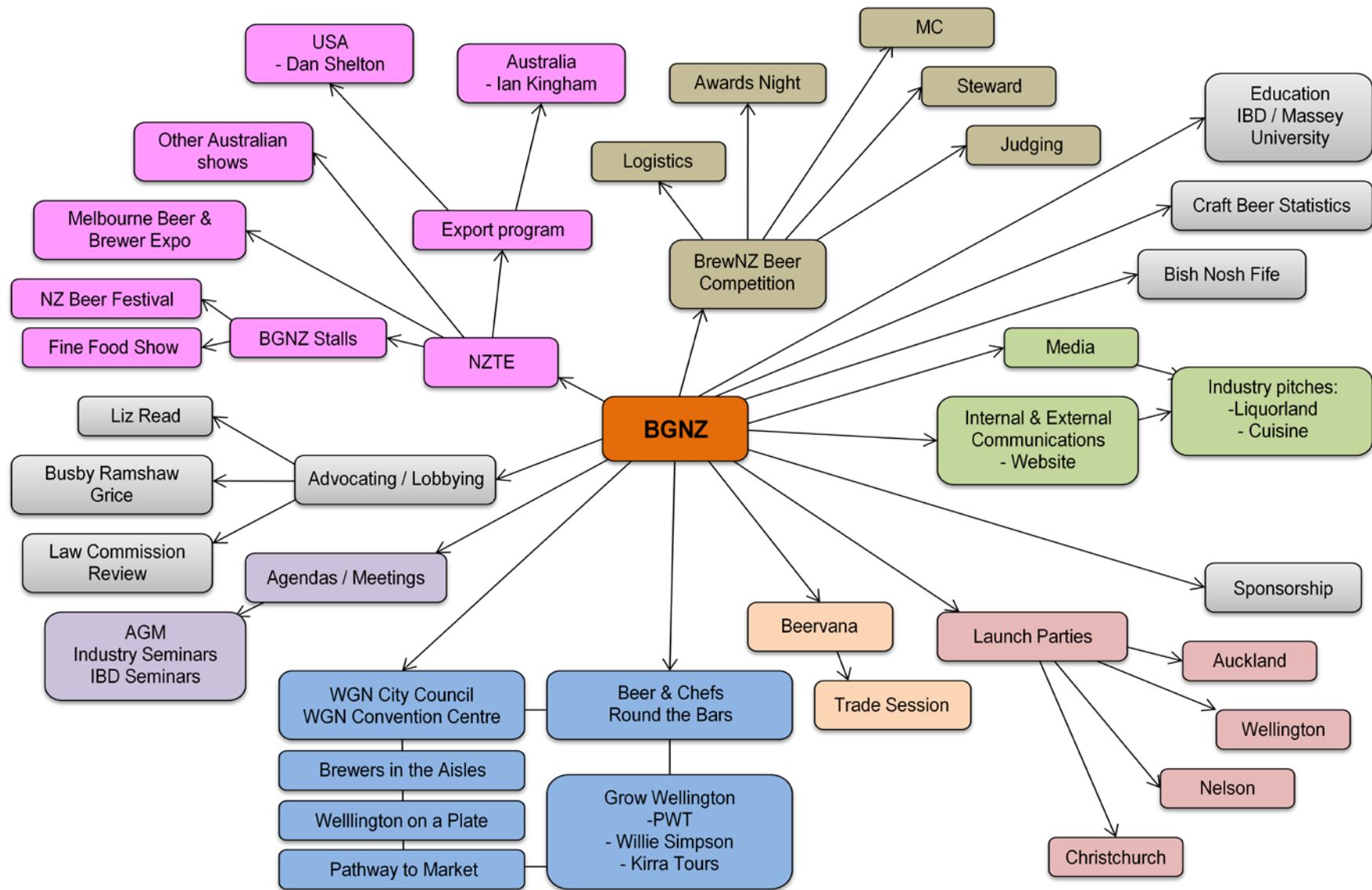
In closing I would like to thank the Executive of the Brewers Guild of New Zealand for their hard work and diligence over the last 12 months. We are looking forward to the challenge of the next 12 months and an ever evolving and advancing brewing industry of New Zealand.

David Cryer

Vision for the Brewers Guild of New Zealand

Growing the beer sector through education, communication and celebration

TARGETS	2009	2010	2011	2012
MEMBERSHIP	75%	80%	80%	80%
BREWNZ	Premier NZ Event Majority Wellington attendees Profitable At Wellington Town Hall	Fully NZ wide event Increased National attendees Intl. renowned Financially stable and self supporting At Wellington Town Hall	Australasian Craft Festival Regional Beershows Providing dividend to Guild for other brewing issue campaigns 90% NZ breweries entering, with over 500 entries	World regarded festival Grand IBD/Beervana in Wellington 90% NZ breweries entering Move to Westpac Arena for full Food & Beer Show At TSB Arena
INDUSTRY STATS	Survey of small breweries	Survey of total Craft market plus further in-depth questions on range of issues with this segment	Ongoing survey showing where craft is going, where it sells, to who, where NZ craft sits in world scene	Ongoing survey of Beer Industry to give to Govt. a clear snapshot of size of total industry incl. Bars, Barley farmers, maltings etc
EXCISE	Building brand visibility with Government	Engage Government, Customs & Excise on excise	Advocating Social Policy	Lobbying Govt. on issues of concern
LOBBYING		Highlighting diversity of Guild membership Engaged with Law Commission Revue	Demonstrating the potential increased employment and excise revenue	Using survey results to have more accommodating stance by gov't.
EDUCATION	Trainee Judges Massey Uni talk Highlight IBD Web page on education Retailer education Beer championing	1x Scholarship Massey 1 week short course Media engaged to promote beer	2x Scholarship Massey Diploma IBD NZ Accredited Media pushing Beer & Food as a worthy match	2x Scholarship Massey Diploma IBD Massey Diploma evolved



BRAND INVENTORY

Beervana

Mission Statement

Raise awareness of the diversity of beer and develop an industry culture of social awareness and responsibility through education by creating an enriching beer experience.

Elevator Pitch

Brewer – fun, exposure, feedback, media, education, networking, sales, marketing

Public – meet the brewer, have a beer with the brewer, try beers never tried before, learn about beer and food matching, meet other beer enthusiasts and have fun! Come to Beervana, try beers from WA to Invercargill.

BrewNZ Awards

Mission Statement

Raise the profile of beer through non-partisan category promotion.

Elevator Pitch

Brand exposure, trophies to drive sales, celebrating with your peers, quality judges notes



THE TARGET AUDIENCE

Who will attend Beervana 2010? (based on 2009 attendance statistics)

- Males aged 20-40+
- Females aged 30-45
- Professional people with an interest in a flavour and the willingness to pay for it
- People who are interested in the provenance of their food and want to treat beer like others treat wine
- People who are discerning and enjoy great coffee and interesting cheeses
- People with family values
- People who dine out

For media research purposes and sample size, we have used a target audience of: -

All people aged 25-59 years, in the Wellington area who dine out regularly at a restaurant or brasserie. The potential audience is 91,000.

Following are some key insights into this target audience: -

- They are 79% more likely than the general population to live in a household where the annual HH Income is between \$100,000 and \$120,000. (target = 14%). The figure increases substantially for the next income brackets.
- Personal incomes are very much in the \$60k plus bracket.
- 42% of the target are in the top three occupation groups (Professional/Senior Govt Official, Business Manager of Executive and Business Proprietor/Self Employed)
- 79% of the target audience are Europeans
- 47% are university graduates

Key findings are: -

- The target audience are moderate to light television viewers – view less than 23 hours per week.
- They are also moderate to heavy daily newspaper readers than the population generally.
- They are relatively heavy magazine readers – 51% read more than six magazines over the period in which they are published.
- They are relatively light radio listeners – 38% listen to the radio for less than 7 hours per week, with 28% not listening to any radio. (NB: Radio information is based on commercial radio stations and the Wellington listenership to the National Programmes which is non-commercial is quite high).
- They are relatively heavy internet users with 87% using the internet for more than 60 minutes per week.
- They are moderate to heavy cinema goers with 60% having been to the cinema between 2 and 5+ times in the last six months.



MANIFESTO 2009

Currently the beer market in Australia and New Zealand is worth A\$7 billion pa. Craft beer accounts for 8% of the total beer market, thereby revenuing A\$560 million. The BGNZ wants to act as a catalyst to speed up the trend of people drinking less volume but better quality. The BGNZ wants to facilitate the education of our nation's beer drinkers and target those people who are not beer drinkers yet. It is our role to give non-beer drinkers an opportunity to enjoy beer responsibly. BrewNZ is our major vehicle for this.

BrewNZ objective: Make beer the hero / encourage consumer trial of craft/higher margin beers / educate consumers on beer / obtain positive media coverage.

The Vision

To have the ultimate NZ beer awards by 2010 and by 2011 have the Australasian Craft Beer Festival with a well respected New Zealand Beer Awards with international entrants.

- We want to make beer the hero
- We want to influence the way people think about the beer they drink
- We want to encourage consumer trial of craft
- We want to create evangelists for great beer
- We want to romance beer, and put focus back on celebrating the craft

What we are focussed on

Beer is the most important thing to us – let's share this

We want to focus on sharing our passion (this is the evangelising element)

We don't want to preach at people, but we do want them to feel excited about being part of the craft beer drinkers growing fraternity.

What matters to us

First and foremost – beer. Being inventive, aspirational, passionate, the best quality, confident in our beliefs, iconic, vibrant and fast moving in how we achieve our goals.

We're for

- People who appreciate good beer
- Impassioning those who aren't about great beer
- Taste
- Good things in life, whether it is cheese, wine, food or TV programmes
- Adventure
- To encourage people to look at beer more like wine and find the romance in it

In a word we are

- Assured
- Aspirational
- Upbeat
- Inclusive
- Exciting
- Passionate
- "In"
- Stylish
- Unapologetic



Growing the beer sector through education, communication and celebration

SOCIAL ALCOHOL POLICY

Submission from **The Brewers Guild of New Zealand** on the Law Commission document "Alcohol in Our Lives - An Issues Paper on the Reform of New Zealand Liquor Laws"

Background

The Brewers Guild of New Zealand (2006 Incorporated) was instigated primarily to support and give a collective voice to the burgeoning number of local breweries in New Zealand. A key strength of the Brewers Guild is that membership is open to every brewery in New Zealand and each brewery, regardless of size, has equal voice and ownership of The Brewers Guild.

The Brewers Guild represents a significant evolution of the brewing industry in New Zealand and aims to support and represent a healthy, vibrant, diverse and socially responsible local brewing industry.

At present there are over 50 breweries that are members of the Brewers Guild of New Zealand.

This submission is based on the Brewers Guild of New Zealand policy "Safe, Sensible, Sustainable - Social Alcohol Policy of the Brewers Guild of New Zealand"

'Safe, Sensible, Sustainable' is the Brewers Guild of New Zealand alcohol policy statement that commits all Guild members to work together to tackle social issues around alcohol and, at the same time, build a healthy, vibrant and diverse local brewing industry.

Safe, Sensible, Sustainable

Social Alcohol Policy of the Brewers Guild of New Zealand

The Brewers Guild commits to supporting clear goals and actions that promote sensible drinking and reduce antisocial behaviour and harm that alcohol can cause. At the same time The Brewers Guild aims to ensure that people are able to enjoy alcohol safely and responsibly and that they benefit from a diverse and vibrant local brewing industry. The Brewers Guild is committed to consulting and interacting in a positive manner with policy makers and organisations involved with social issues around alcohol.

The Brewers Guild is committed to encouraging individual brewery actions, social opinion and government policies that:

1. Support the enforcement of policy aimed at illegal and irresponsible behaviour associated with alcohol
2. Focus policy, support and information on those most at risk from harm associated with use, misuse and abuse of alcohol
3. Support initiatives and policy that creates an environment which promotes sensible drinking
4. Promote and encourage a healthy, vibrant and diverse local brewing industry

Submission

The following submission follows the structure and questions in the "Questions for the Public" section of the document "Alcohol in Our Lives – A Summary of the Law Commission's Issues Paper on the Reform of New Zealand's Liquor Laws"



Growing the beer sector through education, communication and celebration

The Harm

The Brewers Guild of New Zealand is committed to encouraging individual brewery actions, social opinion and government policy that focus policy, support and information on those most at risk from harm associated with alcohol:

(Question 2) The Brewers Guild encourages drinking in moderation but does not believe that drunkenness in public should be an automatic offence. There are many examples where an intoxicated individual may be in a public space for legitimate and sensible reasons that may include, for example, walking home or waiting for a taxi etc.

However, The Brewers Guild supports clear goals and actions that promote sensible drinking and reduce antisocial behaviour and harm that alcohol use, misuse and abuse can cause. As such, The Brewers Guild strongly considers that antisocial behaviour by any individual in public as a result of intoxication (Question 3) is unacceptable and that police resources should be used in an effectively strong manner to discourage any individual's antisocial behaviour.

Object of the Law

(Question 6) The Brewers Guild of New Zealand supports the enforcement of policy aimed at illegal and irresponsible behaviour associated with alcohol. The Brewers Guild believes that the current laws associated with On-licence and Off-licence premises are adequate and should continue to be rigorously enforced. However, The Brewers Guild believes that in recent years individual responsibility has been given inadequate weight.

As mentioned above (The Harm), The Brewers Guild strongly considers that antisocial behaviour by any individual in public as a result of intoxication is unacceptable. The Brewers Guild believes that there must be greater individual responsibility for antisocial behaviour in public. The Brewers Guild would support effectively strong measures to encourage individual responsibility.

(Question 16) The Brewers Guild recommends that it should be an offence for anyone other than a parent or guardian to supply alcohol to someone under the purchase age.

(Question 18) The Brewers Guild of New Zealand aims to promote and encourage a healthy, vibrant and diverse local brewing industry. The Brewers Guild does not specifically consider that the sale of alcohol in supermarkets and grocers is at odds with this aim. However, The Brewers Guild considers that, specifically, the price minimisation associated with these outlets does not encourage a healthy, vibrant and diverse brewing industry. Moreover, the Brewers Guild believe that limiting advertising of alcohol pricing in the broad-based media of television, newspaper and radio may to some extent alleviate over-competitive pricing and price cutting.

Demand Reduction

The Brewers Guild is broadly in support of the sorts of policies that will make a difference in reducing the harm of alcohol consumption. We believe this is best achieved in a sustainable way by altering drinking culture away from simply drinking for the consumption of alcohol (and ultimate intoxication) towards consumption that is based on quality and the enjoyment and social benefits associated with alcohol products consumed in a safe and socially acceptable manner.

In this respect, The Brewers Guild wishes to voice concerns over the issue of demand reduction through broad-brush application of tax or alcohol excise

(Question 19) The Brewers Guild understands that there is a relationship between price and consumption volume. However, The Brewers Guild believes that using a broad-brushed approach to increase price through taxation (Question 21) will have a long-term detrimental effect on the maturity of the drinking culture in New Zealand.



The Brewers Guild are concerned that although an across-the-board increase in alcohol pricing may reduce consumption volume, it is also highly likely to drive consumers towards the consumption of mass-produced alcohol products with lower production costs and economies of scale.

We suggest that this will almost certainly result in a negative change in drinking habits and culture as product quality becomes of reduced importance and consumer choice is driven increasingly by the alcohol to price ratio.

The Brewers Guild, as a brewers' organisation whose members are dominated by micro-breweries, largely pride themselves on the production of "high-end" products using labour-intensive and ingredient-costly methods. It is the nature of the microbrewery industry that business focus is on quality rather than quantity and outlet pricing is almost always higher than that of large volume producers and multinational competitors.

Microbreweries seldom have economies of scale but instead produce high-value, high-cost product designed for enjoyment in small volumes and often in association with sensible drinking culture such as enjoyment with food.

In this respect, The Brewers Guild believes that a "broad brush" approach to alcohol tax will inadvertently harm a burgeoning micro-brewery industry. The micro-brewery industry (whose members dominate the Brewers Guild of New Zealand) is rapidly establishing itself as a healthy, vibrant and diverse local brewing industry with a strong social responsibility. These attributes should be encouraged in the alcohol industry.

(Question 22) The Brewers Guild supports initiatives and policy that encourages safe and sensible drinking and, as such, The Brewers Guild believe that restriction on alcohol marketing especially in the "broad distribution" mediums of television, radio and newspaper will to some extent alleviate problems associated with alcohol being used as a "loss leader" or attractant for consumers.

Problem Limitation

The Brewers Guild of New Zealand supports the enforcement of policy aimed at illegal and irresponsible behaviour associated with alcohol.

(Question 24, 25, 26) The Brewers Guild believes that current liquor laws relating to On-licence and Off-licence sales are adequate, and should continue to be rigorously enforced. However, The Brewers Guild believes that in recent years individual responsibility has been given inadequate weight within alcohol legislation.

As previously outlined, The Brewers Guild strongly considers that antisocial behaviour by any individual in public as a result of intoxication is unacceptable. The Brewers Guild believes that there must be greater individual responsibility for antisocial behaviour in public. The Brewers Guild would support effectively strong measures to encourage individual responsibility.

(Question 30) The Brewers Guild does not believe that drunkenness in public should automatically be an offence as there are many examples where an intoxicated individual may be in a public space for legitimate and sensible reasons which may include, for example, walking home or waiting for a taxi etc.

However, The Brewers Guild strongly considers that antisocial behaviour by any individual in public as a result of intoxication is unacceptable and that police resources should be used in an effectively strong manner to discourage any individual's antisocial behaviour.