

21 September 2016

**Jonathan Alve
Chairman
Brewers Guild of New Zealand**

Annual Report

As we prepare to celebrate the Brewer's Guild of New Zealand awards for the 10th time there is much to celebrate.

There are many signs that beer in New Zealand is in fine health and it is a wonderful time to be part of our industry. Beer is front and centre in media and towns and cities around NZ see value in promoting their brewing industry for both tourism and economic growth. From our smallest members to our largest we are seeing significant investment into new brewing facilities and outlets to further promote beer in all its glory.

Looking back over the years we have eight deserving recipients of the Champion Brewery Award since it was first offered in 2008. In a testament to the high standard of entries received and the rigorous judging process no brewery has yet been crowned Champion more than once and the award has been won by the largest and some of the very smallest brewing companies in New Zealand.

Still on the awards, this is the 10th consecutive year the Guild has achieved a record number of entries into the awards and membership of the Guild is also at an all-time high. We continue to receive overwhelming support from new and returning sponsors and we are thrilled this year to welcome Cryermalt as Principal Sponsor for 2016.

Highlights

Some of the key achievements of the Guild over the last 12 months include;

- **Education:** A large number of initiatives have been rolled out including comprehensive Health & Safety training accessed by over a quarter of Guild members, guidelines for labelling and selling beer online and Food Safety programme courses.
- **Keg Amnesty:** Over 3,000 kegs have been repatriated in the first year of the amnesty and we continue to work on providing an easy way to return foreign kegs to their home breweries.
- **Advocacy:** The Guild has continued to advocate for our members, including making submissions on the Auckland LAP, Gluten Free labelling, Customs & Excise Act Review and the Sale & Supply of Liquor act.
- **Awards/Conference:** At the end of last year the Awards were held in Auckland for the first time, and while we are returning to the City of Sails for a second year we have successfully tested the concept of moving the awards and are excited about what this means for the future.

Treasurers Report

Included with this Annual Report is a Treasurer's Report prepared by Matt Stevens. We are fortunate to have a Chartered Accountant in this position and Matt has done an excellent job preparing an unvarnished and insightful assessment of the financial health of the Guild, while also pointing out some of the challenges that face the organisation.

A key outtake from the report is that we have depleted the Guild's accumulated reserves to fund additional initiatives to deliver further value to our members. With the current level of membership and other revenue being generated this level of spend is unsustainable and so the membership and the exec post AGM face some big decisions about the future direction of the organisation and the level at which the Guild can drive value for the industry.

One key area that has been highlighted is the money that the Guild invests into PR, as this is our single largest core business expense. A key component of the Guild's strategy is telling the positive beer story and we continue to position the Guild as the go to beer industry organisation with media. In addition to generation of media opportunities and profile raising for the Guild and our flagship Awards event our current PR partner Blackland has proved an invaluable resource in advising the committee in a range of areas including strategy, sponsorship and providing a sounding board when we have had sensitive issues to consider. The work that is done in this area benefits all members, and the committee stands by our strategy, however we also understand the need to continually review both the level at which we invest and the partner(s) we work with. One of the first orders of business for the new Exec post AGM will be to complete a full review of the Guild's PR/Communication strategy, budget and suppliers to ensure we are still getting the best value for the investment being made.

Challenges

Along with the highlights from the last year there have been some significant challenges facing the Guild. A recurring theme in past annual reports is the heavy reliance that the Guild places on volunteer members of the Exec that donate their time for the benefit of the organisation. This has again been a challenge to manage this year and as we take on more projects the demand on volunteers continues to grow. Your exec works hard to deliver value and I encourage all members to consider ways that they can contribute to the continued success of the Guild. On that note, nominations are now open for the Executive Committee and there are a number of vacancies to fill. It is a great way to make a difference and to get to know the industry from a different perspective.

This year saw the resignations of Jenny Cameron and Chris Mills from the Exec. Jenny in particular was an exceptional resource for the Guild, leveraging her position with the Brewers Association and her legal background to assist with regulatory and legislative submissions and advice. Her contribution has been sorely missed. We thank Jenny and Chris for their efforts and wish them all the best.

Lastly, early this year our Executive Officer Phillippa Boa joined the world of small business owners and started her own venture, the Lincoln Pantry. Phillippa was the driving force behind the Guild for a number of years and the annual showpiece that is the Brewers Guild Awards is largely down to Phillippa's vision and hard work. The process of finding a replacement presented its own challenges and throughout this year Phillippa has continued to give her precious time to the Guild to ensure the continuation of business as usual, and more recently to help bring our Awards Project Manager Cathrine van Venrooy up to speed. Thank you Phillippa for your efforts and all the best in your new venture.

Brewers Association – a new (and old!) relationship for the Guild

The Guild and the Brewers Association (BA) have had a long relationship the two organisations have worked closely together over the last few years in areas of mutual interest. Most recently this was through Jenny Cameron who sat on the committee of the Guild while being employed by the BA. This relationship gave the Guild access to a level of regulatory and legislative advocacy that we are not resourced to provide ourselves. With Jenny moving on, the Exec have been working closely with her replacement Kevin Sinnott and we are

pleased to announce that we have entered into a memorandum of understanding with the BA to work collaboratively for the benefit of the industry. Primarily the BA will provide Regulatory and Government Relations support and the MOU formalises a longstanding relationship between our separate organisations while each retains absolute autonomy.

The BA is already hard at work on behalf of the industry and Kevin Sinnott along with a number of government agencies will provide further updates in the conference prior to the AGM.

The Future – 2017 and beyond

Taking into account the continued growth in the number and diversity of Guild members and the challenges identified above, the committee believes it is timely review the current structure and governance of the Guild.

Initially work commenced on looking at changes to structure stemming from a commitment made at the 2015 AGM to consider regional 'sub-committees' such as a 'Canterbury Brewer's Association'. In considering this it was determined that the Guild is still too immature as an organisation and that governance and operations needed to be reviewed and separated more effectively before any decentralisation could be responsibly undertaken. Sustainability of the organisation is key and no full review of the Guild has taken place since the original incorporation in 2006, yet the Guild is a vastly different organisation a decade on. With the changes to key people in the current year this review was unable to be undertaken.

It is now planned to convene a sub-committee to assist with this review and make recommendations to the Guild on structure, membership tiers/classes, fee structure and how aspirational the Guild can be looking forward. It is intended that the sub-committee will be made up of former Guild Exec members, the sitting President and Chair and professional advisors as required. The challenge to this group will be to consider the original aims of the Guild, the current needs of the membership and the future requirements for the Guild to best serve the brewing industry. It is intended that recommendations will be made in the first half of the next year for feedback and consultation with members as required.

This is an exciting opportunity for the Guild to set up for the next decade of service to our members and I encourage you all to consider the feedback you would like to give when asked.

Thank You

As always, there are a number of public acknowledgements to make and many others deserving of thanks that we don't have the room to list!

Special mentions to

- Our generous and passionate sponsors who unfailingly support the Guild to continue to deliver value to our industry. We truly couldn't do it without your help.
- Craig Bowen and team (judges, stewards, helpers) who tirelessly works every year to deliver a world class beer awards that brings enormous credit to the Guild and the NZ beer industry.
- Lu & Dean from CMNZL. Extraordinary event organisers and conference managers.
- Cathrine van Venrooy. Organisational genius and project manager for the Awards. Cathrine has been hugely instrumental in keeping the Guild going strong in the lead up to the awards.

- Phillippa Boa. As above Phillippa has given years of service to the Guild and continues to give up her precious time as required to assist.
- Former Exec members for their advice and counsel. Special mention to Craig Bowen, David Cryer and Ralph Bungard for their assistance and obvious passion for the Guild

Finally, a huge thank you to the current Guild Exec committee, Emma McCashin, Matt Stevens, Richard Crowe, Ava Wilson, Lucie Campbell and Alan Spinks. Your continued commitment to the Guild is appreciated and I look forward to celebrating with you and all our members at the upcoming Guild Conference Events and Awards.

A handwritten signature in black ink, appearing to read 'J Alve', written in a cursive style.

Jonathan Alve
Chairman