



**BREWERS
GUILD
OF NEW ZEALAND**

**Submission on the
Sale & Supply of Alcohol
(Cellar Door Tasting)
Amendment Bill
September 2023**

About the Brewers Guild of New Zealand

The Brewers Guild of New Zealand (BGNZ) represent over 80 breweries of all shapes and sizes throughout New Zealand from the largest of breweries in New Zealand, to small microbreweries. The Brewers Guild of New Zealand is the largest collective group of breweries in New Zealand, with 68% of our members being micro-small producers who produce less than 200,000 litres of beer per year.

Our members represent not only the full scale of the New Zealand brewing industry they also represent businesses across all manner of geographical locations – from central Auckland to the middle of the Mackenzie Country.

The Brewers Guild of New Zealand was created to support and give a collective voice to the vibrant, diverse, and socially responsible Kiwi brewing industry.

The Brewers Guild of New Zealand wish to make the following comments:

Firstly, thank you for the opportunity to submit on the Sale & Supply of Alcohol (Cellar Door Tasting) Amendment Bill.

As the representative industry body for brewer across New Zealand, we support the Amendment to the Sale & Supply of Alcohol (Cellar Door Tasting) Bill, however we request that changes are made to the Bill to include other beverage producers, like **breweries**.

There are over 200 breweries in New Zealand, many of whom are micro or small size businesses, located right throughout the country, from central urban locations to remote rural destinations.

To give some scale to our industry:

- There are over 200 breweries throughout New Zealand
- The brewing industry contributed \$3.3B to the NZ Economy in 2022*
- Brewing provided the Govt with \$896M in taxes (estimated and across GST and Excise)*
- The Brewing industry supports thousands of jobs throughout New Zealand.
- Beer Tourism is a new and 'untapped' market that has great growth potential.

*(*Information sourced from 2022 Brewing in New Zealand Report, produced by NZIER commissioned by the Brewers Association of New Zealand)*

The regional dispersal of breweries is great and is not limited to specific growing regions. There are endless opportunities to grow the 'beer tourism' market and to take brewing as an industry and make it an attraction. By including breweries in the change to the current legislation it would also support small businesses across New Zealand.

Beer tourism is a market that is growing around the world, and with Asia one of the fastest growing craft beer markets in the world, the opportunity to grow beer tourism in NZ needs to start with recognising 'tap rooms' or 'brewery cellars' as modern tourism experiences. Just like wine, craft beer can develop a world-class reputation from small beginnings, which is why we are asking that the Cellar Door bill is extended to include breweries who have off-licences.

Just like winery cellar doors are especially important for smaller winery businesses, tap rooms, or 'brewery cellars' are also important for micro and small breweries. They allow the brewery to tell their own unique story directly to individual visitors, and as you have already explained in the example of wineries, an important part of any sales to those visitors generate significantly higher margin compared to sales through retail channels. This is important to all alcoholic beverage producers who have and continue to face unprecedented pressures on their businesses.

As it currently stands micro and small breweries have to give product away, and dispose of opened and unused product, both of which have negative impacts on small businesses, who cannot justify nor afford to meet the requirements of an on-licence application.

Small breweries are currently impacted by the Act in the same way that wineries are, therefore, we request that Breweries (and other beverage producers like distilleries and cideries) are included in the Amendment to the Bill, and it is not limited just to wineries.

The Brewers Guild of New Zealand wish to make the following recommendations:

The Brewers Guild of New Zealand recommend that the Bill should be amended so that a brewery holding an off-licence is also defined as a 'cellar door' allowing that licence holder to charge for tastings.

We submit that the following amendments are made to the Bill:

- That the definition of winery and winery cellar door in the bill is redefined to include premises of other alcoholic beverage producers including, but not limited to breweries, distilleries, and cideries and the beverages that they produce.

- Section 5 amended (Interpretation) is changed to include other beverages and beverage producers
- That 6 section 17 amended (off-licences: sale and supply on licensed premises) is amended to include but not limited to:
 - (iv) the premises are a winery or brewery (tap room or cellar door)
 - (v) the alcohol sample is of a grape wine or beer; and
 - (vi) each sample of beer is no more than 50 – 125 millilitres of beer.

As we have referred to throughout our submission, we support that all producers of alcoholic beverages are considered in this bill and are treated equally.

We thank you for the opportunity to submit on this Bill.

Yours sincerely



Melanie Kees
Executive Director
Brewers Guild of New Zealand