



DISTILLED SPIRITS AOTEAROA (NZ) INCORPORATED

Chair's Report – Year 2019/20

1. Membership

- At the end of the financial year there were 52 Full Members, up from 38 in the previous year (37% increase). There were two resignations (McCashin's Brewery Ltd, Cherrycello). Wild Diamond Ltd was sold, however the new owners have indicated they would like to remain as members of DSA.
- There were 27 Associate Members, up from 9 in previous year (200% increase).
- DSA reciprocated Associate Membership with the Australian Distillers Association (ADA).
- DSA became an Affiliate Association of the American Distilling Institute (DSA members can enter *ADI Judging of Craft Spirits* competition at a reduced cost)

2. Committee

- Formal thanks to the Committee for giving up their significant time and energy in the first 19 months of incorporation.
- In June 2019, Maria Grau resigned as Committee member, and the Committee has been running with 6 members, with the Chair continuing in the role of Chair/Treasurer.

Current Committee Members

Sue James (Juno Gin):- Chair/ Treasurer: Sept 2018 –

Grant Finn (The NZ Whisky Company):- Secretary: Sept 2018 – May 2020

Rob Auld (Auld Distillery):- Committee member: Sept 2018 –

Antony Michalik (The Spirits Workshop):- Committee member: Sept 2018 –

Brent Robinson (batch 10):- Committee member: Sept 2018 –

Chris Barlow (Barlovska Batch Liqueurs):- Committee member: Feb 2019 – May 2020.

- Two Committee members, Chris Barlow and Grant Finn, will step down from their positions after the 2020 AGM. Grant will stay on as a Committee Member.
- Any authorisations for payments from the DSA bank account have been made with the dual signatories of the Chair + Secretary, with approval of the Committee.

3. Progress on Priorities

At the 2019 AGM, three priority areas were identified for 2019 / 2020:

- **Lobbying for an excise rebate**
- **Establishment of Industry standards**
- **Promotion of Brand NZ**
- **Excise Rebate**
 - A White Paper summarising the current NZ distilling landscape and challenges was compiled:
 - The paper pulls together information that can be used to request a Government-assisted industry growth path, focusing on exports. Data is presented on the barriers to growth and cost imposition due to excise, HSNO, and Resource Management Act and other factors preventing the industry growing at a rate beneficial to NZ.
 - The emphasis of the paper was reframed to align with the current Labour government philosophies. The focus is now less on an excise rebate, leaving it open to other solutions eg. Provincial Growth Fund and grant opportunities, other tax rebates via MBIE.
 - The next steps of approaching key individuals in government has been delayed due to COVID-19.
 - DSA is currently part of a NZ alcoholic beverages industry group (led by Spirits NZ and including Brewers Assn, Food & Grocery Council, NZ Winegrowers, Retail NZ,

Business NZ, Hospitality NZ) approaching Government for COVID 19 business support.

- **Establishment of Industry Standards**

- It has been acknowledged that this is a significant body of work and we need to engage a consultant (with associated cost) to assist DSA to create this industry Safe Work Instrument (Code of Practice). Scoping work has begun:
 - An Offer of Service (proposed cost and approach to resolving issues) has been sought from Garry House (Enviro Light) to outline industry problems and identify the most appropriate mechanisms to assist industry in achieving compliance with HSNO regulations.
 - There are a number of options and budgets in terms of creating a standard - Sited Standard, Referenced Standard, Code of Practice and Industry Code of Practice. The 'best fit' for DSA members needs to be identified.
 - It is anticipated that a team of experts including Responsible Care, an electrical inspector, HSNO test certifier as well as DSA Committee representatives would be assembled.
- Several HSNO Codes of Practice from other global organisations have been sourced as reference examples.
- DSA entered a submission on the revised NZ Health and Safety at Work (Hazardous Substances) Regulations 2017, during the MBIE Consultation. The updated regulations corrected the serious issues with the interpretation of the previous HSNO regs. A hard copy has been purchased for DSA reference.

- **Promotion of Brand NZ**

- Media
 - (14/5/19) Article on DSA and NZ Spirits Awards in International Brewing and Distilling (IBD) Journal
 - (3/9/19) Article on DSA 1-year launch anniversary, Oct-Nov issue of Drinksbiz magazine
 - (1/2/20) Article on DSA 2020 industry predictions, Feb issue of Hospitality Business magazine.
- DSA Website
 - Chris Barlow (Barlovska) stepped in to complete the DSA Website design, and trained Sue James and Grant Finn to add member information.
 - Most Member and Associate member's Logos have been uploaded, and several Associate Members have taken up the opportunity to have their business profiles loaded.
 - A Members trail map was completed and is fully updated.
 - A Hand Sanitiser page was added.
- NZ Spirits Awards
 - The March 2020 judging and awards have been delayed until mid-late 2020 due to COVID-19.
 - The awards have again been underwritten by Spirits NZ and sponsored by significant industry supporters. DSA members on the Awards Committee are Sue James and Antony Michalik.
 - A total of 245 entries were received this year, prior to the delay in judging. Entries were 7 fewer than 2019, however the number of NZ entries was up significantly compared to international entries (2019: 41% to 2020: 51%).
 - The entry portal has now been reopened for anyone who may have missed out on the initial cut-off date.
 - Planned PR had included ONE News at the Spirits Awards judging.
- Trademarking NZ Single Malt Whisky
 - An interested group of DSA members met during the March DramFest to discuss the future branding of NZ whisky. Key to this would be an improved definition of 'NZ Single Malt whisky'.
 - A workshop will be held before the DSA AGM on May 7th.

4. Other activities

- **Packaging Product Stewardship proposal**

- In September 2019, the Government began consulting on the introduction of a Packaging Product Stewardship scheme. DSA entered a formal submission on behalf of DSA members, in particular with regards to the Glass Container Deposit Scheme. DSA worked closely with industry bodies such as the Glass Packaging Forum and Spirits NZ.
- The initial consultation closed on 4 October 2019, and will proceed to Stage Two (progressive consultation by product group on proposed Waste Minimisation Act regulations) throughout 2020–2021.
- **Pregnancy Warning Label**
 - DSA made several submissions during the consultation for the FSANZ Proposal P1050 Pregnancy warning labels on alcoholic beverages. Once the FSANZ preferred version was announced, DSA activity extended to joint industry letters and approaches to MP Damien O’Conner.
 - On 20/3/20, the Australia and New Zealand Ministerial Forum on Food Regulation met and voted for the pregnancy label to be sent back to FSANZ for a re-look at the use of the colour red and “Health Warning” vs Pregnancy Warning”. It is very rare for the Forum to not accept FSANZ recommendations outright.
 - The next review must be represented to the Forum by 22 June 2020.
- **FAQ (Frequently Asked Questions)**
 - Documents are available to any DSA member on request, and eventually will be loaded onto our website for members. Created so far:
 - Distillery Start-up
 - List of NZ distributors
 - Food Act Compliance
 - Exporting and freight
 - Ethanol source
 - Hand sanitisers
- **Other :**
 - Export: DSA made a submission to NZ Ministry of Foreign Affairs and Trade on the EU Free Trade Agreement, including impact of Geographical Indicators. DSA Committee members attended meetings/ conference calls on Brexit and NZ/UK free trade agreement negotiations, export market access issues affecting manufacturing and technology sectors, new free trade agreements with China, 8 Pacific nations (with the exclusion of India).
 - Junipalooza: Discussions have been held with the Junipalooza committee on the possibility of a NZ event.
 - DSA Support letter: A letter of support can be requested by DSA members when applying for e.g. grant funding (noting that DSA does not support or endorse individual businesses but rather it is supportive of industry growth).
 - Carbohydrate claims: DSA distributed a survey link for carbohydrate claims on packaging, for the preparation of a FSANZ – Consultation document.