



Distilled Spirits Aotearoa News

March 2023

Message from the Chair

Kia ora koutou,

I hope to bring the subject of creativity to the front of everyone's mind, I was recently talking to another distiller about growth, both in business and in skillsets and how important creativity is for all things. I believe, for our industry creativity is essential for two purposes. It not only prevents flatlining of business but facilitates growth and innovation.

Creativity gives you the space to work smarter instead of harder and increase productivity.

It's important for me to get this idea across for two reasons, firstly because I believe letting yourself be creative in your work is best for you, but also, creativity and innovation are best for the craft spirits industry. We cannot achieve our goals and grow without it.

Consistency is without a doubt important, but don't become stagnant because of it. One of the main hindrances to a business's growth is cognitive fixedness, or the idea that there's only one way to interpret or approach a situation or challenge. Cognitive fixedness is an easy trap to fall into, as it can be tempting to approach every situation similar to how you have in the past.

Excellence in our craft comes from pushing the boundaries and trying new things. Put time aside to work on something new and challenging. One of those new ideas can be a game changer for you, or for the New Zealand spirits industry as a whole.

Kā mihi nui,

Richard Wilson, Chairman – Distilled Spirits Aotearoa

News from the Board

The Distilled Spirits Aotearoa Conference

Wednesday 7th June – full day Waiheke Island Distillery tour (Waiheke Whisky and Waiheke Distillery) or shorter afternoon tour around Auckland (1919 Distilling and Lunatic & Lover)

Thursday 8th June - DSA AGM and Excise Open Discussion in the morning, with the Conference opening at midday.

Friday 9th June – full day conference and NZ Spirits Awards grand gala dinner and trophy presentations in the evening

Trade display open both conference days

The venue is confirmed as the Hilton on the waterfront in Auckland

Formal Conference communication will come out at the beginning of March alongside the opening of our Conference website and registration portal.

2023 NZ Spirits Awards

Entry portal now open:

[New Zealand Spirits Awards \(spiritsawardsnz.nz\)](https://spiritsawardsnz.nz)

Key Dates:

2023 New Zealand Spirits Awards entry submission opens – 24th February

Tickets available for Gala Dinner – 14th April

Deadline for judging samples to be received – 21st April

NZ Spirits Awards Judging – 4 days, 2nd–5th May

Medal winners announced – 11th May

Deadline for ticket sales – unless sold out prior – 31st May

Tickets Distributed for Gala Dinner – 2nd June

Gala Dinner – Trophy winners announced – 9th June

Labelling changes.

Added Sugars Consultation: Two sections are of note: P1049 – carbohydrate sugar claim on – consultation ongoing in the second quarter of 2023.

1059 – energy labelling. public consultation closed 27 February 2023. DSA already submitted during the consultation phase (4/10/21), and the review indicated that the draft variation and implementation timeframe is similar to what was asked for in the original submission from DSA.

Pregnancy labelling comes into effect in June 2023. A reminder to include in all labels.

Information is available on the specifics.

[Pregnancy warning labels downloadable files \(foodstandards.gov.au\)](https://www.foodstandards.gov.au/foodlabelling/PregnancyWarningLabels/PregnancyWarningLabelsDownloadableFiles.aspx)

Membership Fees

GST will be added to all membership fees from 1st April 2023.

Fees are currently \$250 full; Associate \$100 (No GST applied)

The venue is confirmed as the Hilton on the waterfront in Auckland

Formal Conference communication will come out at the beginning of February, alongside the opening of our Conference website and registration portal.

2023 NZ Spirits Awards

Food & Beverage Industry Transformation Plan

DSA has sent in a submission on behalf of the industry, and encourage any Full Members to send in their own submission with personal stories and examples of hardship.

We have identified two key areas in the Plan which coincide with the strategic objectives of our membership – excise relief and export restrictions (building our brand value globally).

The key paragraphs of our Submission are below. If you wish to make your own submission, the link to the MPI SurveyMonkey is here: [SurveyMonkey Powered Online Survey](https://www.surveymonkey.com/s/industrytransformation)

Consultation on the plan is open until 5pm on 12 March 2023

DSA Submission (excerpt)

We agree with the scope and details of the draft plan, however we ask you to take into consideration two aspects:

1. Transformation 2 / 10 Support high potential food and beverage businesses to access capital

Targeted grants and loans

As proposed in the plan, targeted grants and loans would be welcome as an opportunity to access capital for expansion.

However, for Aotearoa's small distilleries cashflow is far more immediate problem. In New Zealand excise tax represents over 50% of the distillery overheads – this is a constant drain on cashflow and stifles the ability to look beyond day-to-day survival. DSA is beginning to see an increasing number of distilleries leave the industry due to financial hardship.

Globally, the significant financial potential of the distilled spirits industry has been recognised at governmental level. Many of our peer trading countries already support and stimulate the growth of their distilling industries by providing reduced tax rates or rebates on excise tax paid by small and medium sized businesses, eg:

EU: [EUR-Lex – 31992L0083 – EN – EUR-Lex \(europa.eu\)](#) allows Member States to apply reduced rates of excise duty to small distilleries, with the reduced rates up to 50 % below the standard national rate of excise duty.

USA: [TTBGov – Craft Beverage Modernization and Tax Reform \(CBMTRA\)](#) allows the excise tax rate for smaller distilleries to be reduced by 80%.

Australia: [Excise refund scheme for alcohol manufacturers | Australian Taxation Office \(ato.gov.au\)](#) provides an excise rebate of up to \$350,000 per year. The full excise tax is paid and then a refund is claimed. The average rebate per distillery is A\$51,000/ year, which can support an extra one staff member.

As the global consumer interest in distilled spirits increases, New Zealand is being flooded with overseas imports, particularly from Europe and Australia. It is particularly important, as New Zealand distillers come to the notice of the rest of the world, to be able to compete in domestic and export markets on a level playing field with international distillers.

Currently, the spirits industry has been proceeding with limited government support. We are not requesting that the current Customs and Excise tax laws be changed, just that a rebate be introduced for SME alcohol producers, similar to that which has driven growth in the Australian industry. We would request that this is added to Transformation 2 / 10 as Targeted grants, loans and tax rebates.

2. Transformation 4 / 14 Support and influence the implementation of domestic policy and regulatory changes relating to Māori, taonga and indigenous organisms

As part of enhancing traditional foods and scaling up emerging foods, we draw your attention to the urgent need for a centralised approach to overseas certification eg FDA approval, US GRAS (Generally Regarded as Safe) for many of Aotearoa's native botanicals used in food and beverage, for example mānuka, kanuka, kawakawa, horopito. Food and beverage products containing these ingredients, including New Zealand gin and other spirits, cannot be exported into a significant number of countries which require FDA-type approval status for ingredients.

Other countries eg [Scotland](#) have funded universities to create libraries of botanicals to help producers create unique, new products, and to ensure that their spirits meet the import standards of countries such as the USA.

We request that this is itemised as an urgent action point on the Implementation plan.

Feel free to use our points to reflect your own situation and reinforce the urgency to get distilled spirits onto the government's radar.

Strategic Plan 2023-2025

The DSA is happy to present the strategic plan and summary of actions for 2023-2025

The next stage will be a published action plan with key activity dates.

RESOURCE

Support and educate our members

- Facilitate professional development, education and best practice.
- Develop product and industry standards.
- Develop and promote careers in the industry.

**SUPPORT
ENABLE
EDUCATE**

ADVOCATE

Develop and protect the industry

- Protect industry integrity and brand value through standards and regulations.
- Represent the joint interests of distillers to government, media and consumers.
- Lobby for industry normalisation.

**PROTECT
REPRESENT
LOBBY**

PROMOTE

Build our brand value globally

- Build the New Zealand spirits brand story.
- Develop a recognised and valued offering.
- Promote industry excellence.
- Define and measure the scope of the industry.
- Secure funding and investment.

**BUILD
INVEST
PROMOTE**

STRATEGIC PLAN 2023-2025

MISSION: TO SUPPORT NEW ZEALAND IN BECOMING THE WORLD'S BEST CRAFT SPIRIT PRODUCER

MEMBERSHIP

A warm welcome to our newest members

Associate Member: The Practice Brokers

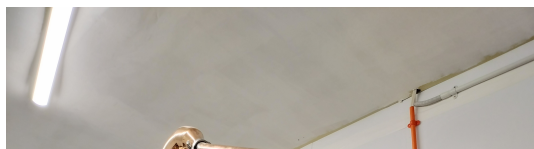
Associate Member: CPack Ltd

Associate Member: Brunswick Aces NZ

If you know anyone out there that would benefit from being a member of the DSA then point them in our direction. the greater our membership base is, the stronger our collective voice becomes and the more ability we have to strengthen and improve our industry.

MEET THE MEMBER

This month we are introducing our DSA chairman and owner of Sandymount Distillery, Richard Wilson. Sandymount Distillery, based on Dunedin's Otago Peninsula has been operating since the start of 2021, in that time picking up multiple awards, both domestic and international for its gin range, whisky, and vermouth. Now operating in a brand-new facility on the 12-hectare site, Sandymount products are all made from an off grid solar electricity system and on-site spring water and botanicals.



1. What made you decide to get into craft spirits?

I always had a strong interest and background in the sciences, particularly chemistry, and also in engineering, having been a



fitter welder in earlier years. So, after going through the process of making terrible home brew, I learned that I could evolve to distillation. I built a still, I loved the process, the learnings, and made some pretty awful spirits for a few years. Eventually, after several years, my skills caught up with my enthusiasm, and I developed something worth sharing.

2. What inspires you in this industry?

I am thoroughly inspired by the people I have found in the industry, everyone is so excited by either the work they are doing, or the products being developed around them. From distillers, to hospo, the enthusiasts, everyone I come across is here because they love the products. It's a great environment to be in. I'm also really inspired by the opportunity to explore new ideas. New Zealand craft spirits are in such a growth phase, and being a part of that, and encouraged to do

something new is pretty cool.

3. What would you like to see from the DSA?

Believe it or not I have pretty high expectations of the DSA... Essentially what I would like to see is recognition. For the DSA themselves to be seen as a strong industry leader, but also to bring recognition to our members, our brand, New Zealand craft spirits needs to mean something to the rest of the world. I strongly believe in our mission, "To support New Zealand in becoming the world's best craft spirit producer" So my expectations of the DSA are to deliver that.

You can learn more about Sandymount Distillery on their website www.sandymount.nz

Advertisements

Contact info@distilledspiritsaotearoa.org.nz if you would like more information on placing an advert at the end of our newsletter. (click on the image to access the link)



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New Product

200L Whiskey French Oak Barrel



Taransaud
TONNELIER

Taransaud is the world-leading cooperage for ageing spirits in french oak barrels. By combining its expertise with niche Bourbon producers, Taransaud cooperage has developed a new innovative barrel design for whisky producers seeking maturation excellence based on the best of what the Cognac and Bourbon industries have to offer

Benefits

Short term - After 8 months maturation, the new barrel instils the colour of a four-year spirit
Lifespan - For the first 5 years and up to 10 years, extraction from the oak.
- After 10 years, Unlimited ageing for tannin and alcohol oxidation, evaporation and concentration.
Sensations on the nose - The aim is to protect the distillation style, which is supported by the aromas of toast and fruit with spice and vanilla notes.
Structure - We achieve a rounded, satisfying attack with a silky structure on the middle palate, whilst reducing the harshness of the alcohol.
Finish - On the palate, incredible elegance is exuded and displays the most beautiful persistence

Technical specifications

Capacity - 200L
The thickness of raw staves-27mm
Number of galvanised circles-6
Weight-40kg

100% French oak, certified by Bureau Veritas. Wide grain specifically selected by our Merain Du Limousin stove mill.
100% Natural open-air seasoning for 36 months. Certified by Bureau Veritas.
Oak is sourced from sustainably managed forests. PEFC certification on request.
Traditional open fire toasted with full traceability.



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