



DISTILLED SPIRITS AOTEAROA (NZ) INCORPORATED

Committee Chair's Report – Year 2022/23

FROM THE CHAIR

My first year as Chair has been a busy and exciting one! It has been great to see the industry continue to grow during this time, including our membership, which has increased from 97 to 105 Full Members in the past 12 months.

I have enjoyed meeting many of you and learning what your goals and aspirations are, and what you want from us as an association.

A highlight of the past 12 months has been the development of a new strategic plan, which we will follow over the next three years to help us achieve our mission of supporting New Zealand in becoming the world's best craft spirit producer. Top of mind are some important goals we are working hard to achieve, including reform of the excise tax. This has been a major focus for the board and an issue we will continue to work tirelessly on.

Standards compliance is another area we are committed to - making industry standards transparent and available to members so we can build safe and compliant work environments.

And always there is our desire to build our brand value globally. Everything we do, and the integrity with which we do it, contributes to enhancing our international reputation - from introducing category standards (while maintaining innovation), to educating our members to be world-class distillers.

All ships rise with the tide.

Richard Wilson, Chair
Distilled Spirits Aotearoa



CONTENTS

From the Chair.....	1
Who We Are	3
Our Achievements.....	4
Business as Usual.....	6
Membership	6
Financials	7
Financial Statement - Distilled Spirits Aotearoa (NZ) Incorporated.....	7
Special Appreciation.....	8




WHO WE ARE

The Distilled Spirits Aotearoa (DSA) represents a group of distilled spirits manufacturers, associated groups and individuals who are passionate about promoting New Zealand-made products. Our mission is to support New Zealand in becoming the world’s best craft spirit producer.

Our Objectives

- To protect the integrity, authenticity and brand value of distilled spirit products made in New Zealand
- To represent the joint interests of all New Zealand makers of distilled spirit products to government, media and consumers
- To promote New Zealand-made distilled spirit products within New Zealand and throughout the world
- To promote the responsible consumption of distilled spirit products
- To establish industry standards and criteria, where appropriate, to promote consistency and quality across the NZ spirits industry
- To facilitate professional development, education and the exchange of information through cooperation, industry forums, seminars and workshops

Our Strategic Plan 2022-2025

<div style="background-color: #800020; color: white; padding: 10px; text-align: center; font-weight: bold; font-size: 1.2em;">RESOURCE</div> <p style="text-align: center; font-weight: bold; margin-top: 10px;">Support and educate our members</p> <p>.....</p> <ul style="list-style-type: none"> - Facilitate professional development, education and best practice. - Develop product and industry standards. - Develop and promote careers in the industry. <div style="background-color: #e67e22; padding: 10px; text-align: center; margin-top: 10px;">  <p style="margin: 0; font-weight: bold; color: white;">SUPPORT ENABLE EDUCATE</p> </div>	<div style="background-color: #2980b9; color: white; padding: 10px; text-align: center; font-weight: bold; font-size: 1.2em;">ADVOCATE</div> <p style="text-align: center; font-weight: bold; margin-top: 10px;">Develop and protect the industry</p> <p>.....</p> <ul style="list-style-type: none"> - 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. <div style="background-color: #5dade2; padding: 10px; text-align: center; margin-top: 10px;">  <p style="margin: 0; font-weight: bold; color: white;">PROTECT REPRESENT LOBBY</p> </div>	<div style="background-color: #34495e; color: white; padding: 10px; text-align: center; font-weight: bold; font-size: 1.2em;">PROMOTE</div> <p style="text-align: center; font-weight: bold; margin-top: 10px;">Build our brand value globally</p> <p>.....</p> <ul style="list-style-type: none"> - 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. <div style="background-color: #f1c40f; padding: 10px; text-align: center; margin-top: 10px;">  <p style="margin: 0; font-weight: bold; color: white;">BUILD INVEST PROMOTE</p> </div>
---	--	---



OUR ACHIEVEMENTS

A major achievement of 22/23 has been the development of a strategic plan. The result of a thorough strategic review, this plan provides direction for future projects and will keep us focused on what is most important to our members.

Looking at the three pillars of the strategic plan, here are some of the highlights from the past 12 months.

Resource

Reflecting our objective of supporting and education members, we are proud to be hosting the first New Zealand Distiller's Conference at the Hilton Hotel Auckland in June. We have organised the conference to coincide with our AGM and the NZ Spirits Awards trophy evening, making it a significant networking, education and celebratory event on the distiller's calendar.

To establish further training and development opportunities in New Zealand, I attended the Institute of Brewing & Distilling (IBD) conference in Adelaide in March as DSA Chair. And to better understand how the Australian market is moving and the distillery scene is evolving across the Tasman, DSA Secretary Soren Crabb and I attended the Australian Distillers Association conference in Melbourne in March. We have reciprocated an invitation to the Australian Distillers Association for one of their board members to attend our conference.

And supporting our objective to develop product and industry standards, we are proud to have developed the first of our industry standards to assist with the safe development of distilling in New Zealand. The first two guidelines – Design & Setup Guide, and Distillery Production and Sale of Alcohol, have been released, with six more guides to follow in the next 12 months.

We introduced a members-only area on the DSA website for exclusive access to resources and FAQ, links to educational webinars, DSA governance and strategic focus information, communications, and other useful documents for distillers. This site is a repository of useful information for you to review and use.

Advocate

As part of our objective to develop and protect the industry, we continue to reach out to new distilleries (commercial and pre-commercial) as they come into the market. This has seen our membership grow to over 100 Full Members for the first time, at the end of the financial year.

We have represented the joint interests of our members in a range of submissions over the 12 months. As we all know, government can be a very slow beast and advocacy is ongoing in many of these campaigns.

Some highlights: We worked tirelessly with government and industry on excise reform throughout 2022/23 and developed two new documents for excise advocacy. One focuses on messaging for members when discussing the issue of excise, and we produced the other document for members to share with the public to help with advocacy on this topic.

We offered feedback on a government consultation document around transforming recycling and encouraged members to make a submission, focusing on the practical implications. We sent a letter to MPs in May 2022.



We also made a submission on energy labelling and sugar claims, offered feedback on Spirits NZ guidance for the online sale and delivery of spirits and were involved in the Food & Beverage Industry Transformation Plan (F&B ITP) public consultation around NZ natural botanicals.

And the Rum Working Group confirmed the NZ Rum definition by passing it into DSA rules in July 2022.

We also got some well-deserved media coverage and here are a few members examples. Congratulations to all members who garnered publicity for the industry.

- Elemental Distillers, winner at the World Gin Awards 2023, appeared on *Seven Sharp*.
- Mt Fyffe Distillery were featured on *Hyundai Country Calendar*.
- Sandymount Distillery got coverage for being the first distillery in Aotearoa to be certified carbon neutral.
- And a story appeared in the *Australian Financial Review* with the headline, 'Bold Spirits: whisky and gin makers flourish in New Zealand'. Gotta love that!

Promote

Now in its fifth year, the New Zealand Spirits Awards help us in our objective to build the New Zealand spirits brand story. They are again being underwritten by Spirits NZ and sponsored by significant industry supporters. Current DSA members on the awards committee are Antony Michalik and Sue James.

The number of judges has increased from 25 to 30, including five from overseas, which reflects the popularity of the awards and the growing number of entries. New Zealand Whiskey Association (NZWA) will assist again this year with whisky judge selection and flight order and a new app is being introduced to streamline and improve scoring and data management.

The standard of judging remains very high, and Ben Leggett (the Awards NZ School of Wines and Spirits educational partner - supported by the Wine & Spirit Education Trust), will again be engaged for a pre-judging alignment session.





BUSINESS AS USUAL

Alongside these achievements is the behind-the-scenes admin that keeps an association like ours operating smoothly.

In August last year, we engaged a part-time professional administrator to professionalise communication with members and improve our secretariat duties. We would like to welcome Lynda Booth to the DSA team.

The Incorporated Societies Act 1908 has been revised to the Incorporated Societies Act 2022. We need to reregister by 1 December 2025 with a revised constitution as there have been several mandatory changes associations need to comply with. The board will review the current constitution and advise members of all changes required.

New DSA policies adopted in 2022 include the definitions for Base Spirits and the Financial Expenditure by Committee. The updates to these policies can be found on our website.

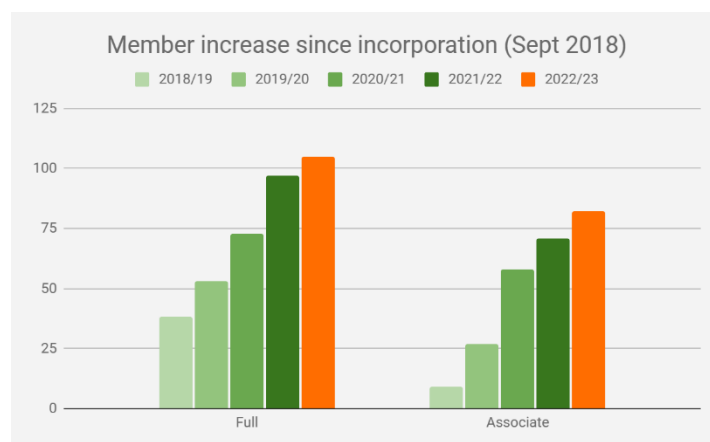
We have also started to use a brand guide for all DSA documentation including the recently developed strategic plan one-pager, guidelines, and the monthly e-newsletter. This will ensure a more professional look and feel for all things DSA.

MEMBERSHIP

Approximately 69% of all NZ distilleries are DSA members.

At the end of the 2022/23 financial year, we had 105 Full Members, compared to 97 the previous year - an 8% increase. Six Associate Members were moved up to Full Membership (Mothers Ruined Gin, Cambridge Distillery Co, Chemistry Gin, Good Bones Distilling, NV & Co. Distilling, and Glorious Lands) and we received three Full Member resignations (The Pokeno Whisky Co, Lemon Fellows, and Denzien Urban Distillery).

At the end of the 2022/23 financial year, we had 82 Associate Members, compared to 71 the previous year – a 15% increase. We received two resignations from Associate Members (Eddyline Brewery and Jacques Botes). This year we established the subcategory of Pre-commercial Associate Membership within Associate Members.





FINANCIALS

2022/23 ran at a small loss, mainly due to costs associated with a committee strategy meeting in Queenstown and the employment of a part-time administrator. Income from advertising sales increased as a more professional newsletter was rolled out.

The base level in the account remains healthy at \$44,492.90.

Membership fees will remain at last year's rates; however, DSA has been registered for GST from April 2023 and this will be added to all fees.

FINANCIAL STATEMENT - DISTILLED SPIRITS AOTEAROA (NZ) INCORPORATED

New Zealand Business Number (NZBN): 9429047031708

Certificate of Incorporation: 2716891

Registered office: 16d Sunley Street, Westown, New Plymouth 4312, New Zealand

Distilled Spirits Aotearoa (NZ) Incorporated		
Statement of Income & Expenditure		
For the year ended 31 March 2023*		
Income	2023	2022
	\$	\$
Advertising sales	4525.00	2350.00
Donations received	0.00	0.00
Fees - Associate Member	6943.33	4969.08
Fees - Full Member	24124.83	21400.03
Bank Interest Income	0.00	0.00
Merchandise sales	0.00	0.00
Total Income	35593.16	28719.11
Expenses	2023	2022
	\$	\$
Admin and Research costs	4314.80	98.00
Approved meeting costs	2587.50	900.00
Approved Travel Costs	13728.09	0.00
Bank Fees	0.00	0.00
Consulting & Accounting	13260.65	14590.34
Entertainment Food / Beverage	1528.84	148.75
IT Platforms ongoing costs	1565.51	714.82
IT Platforms set up costs	0.00	0.00
Legal expenses	0.00	0.00
Merchandise purchase	0.00	80.00
Society set-up	0.00	0.00
Subscriptions	0.00	0.00
Fee Overpayment / Rounding	-6.00	-0.83
Income Tax Expense	378.00	0.00
Total Expenses	37357.39	16531.08
Net Surplus / (loss)	-\$ 1,764.23	12188.03



Distilled Spirits Aotearoa (NZ) Incorporated		
Statement of Financial Position		
As at 31 March 2023		
Assets	2023	2022
	\$	\$
Cash on hand	0	0
Bank accounts	44492.9	45257.13
Land & Buildings	0	0
Sundry equipment	0	0
Total Assets	44492.90	45257.13
Liabilities	2023	2022
	\$	\$
Accrued expenses	0	12169.52
Creditors	0	0
Total Liabilities	0	12169.52
Net assets (liabilities)	44492.90	33087.61
Accumulated funds as at 31 March	44492.90	33087.61

Distilled Spirits Aotearoa (NZ) Incorporated**Notes to the Financial Statement****As at 31 March 2023**

No borrowing, no mortgages, charges and securities of any description affecting the society

* The financial statement includes the transactions and balances of the society for the financial year 1 April 2022 to 31 March 2023.

SPECIAL APPRECIATION

I would like to formally thank the DSA Committee for their exceptional skills and knowledge, and the time they have so generously given to the association during the year. Their participation on the Committee is crucial to the success of DSA and it would not have been possible to build a future for the association without their valuable contribution.

Current Committee Members

Richard Wilson (Sandymount Distillery):- Committee member: May 2021 – June 2022; Chair: June 2022

-

Soren Crabb (1919 Distilling):- Secretary: May 2020 –

Sue James (Juno Gin):- Chair: Sept 2018 – June 2022; Treasurer Dec 2018 -

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

Matt Bridge (Lunatic & Lover):- Committee member: May 2021 –

Wayne Chowles (Kaimai Brewing and Distilling):- Committee member: June 2022 –

Jamel Barber (Cardrona Distillery) resigned from the Committee in April 2023.

I would also like to thank our sponsors and advertisers for partnering with our association and supporting us. Your contribution makes it possible for us to continue growing DSA.

And finally, to you our members, the association wouldn't be an association without you. Your membership means we can build a successful association that will educate you, advocate on your behalf and promote our great industry to the rest of the world.

Richard Wilson, Chair
Distilled Spirits Aotearoa