



Distilled Spirits Aotearoa (NZ) Incorporated

New Zealand Business Number (NZBN): 9429047031708

Certificate of Incorporation: 2716891

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

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DistilledSpiritsAotearoa.org.nz

DSA Submission on Sale and Supply of Alcohol (Cellar Door Tasting) Amendment Bill

18 August 2023

Distilled Spirits Aotearoa is grateful for the opportunity to submit on the **Sale and Supply of Alcohol (Cellar Door Tasting) Amendment Bill**.

The bill would make changes to the Sale and Supply of Alcohol Act 2012 to allow wineries to charge for cellar door tastings. Under the bill, a licence holder could charge for cellar door tastings if:

- the premises are a winery cellar door
- the alcohol sample is grape wine
- each sample contains no more than 40 millilitres of wine.

The bill would also provide that off-licences may be issued for winery cellar doors, even if an on-licence is already held for the same premises (such as for a winery that has a licensed café on the premises)

Distilled Spirits Aotearoa:

Distilled Spirits Aotearoa (DSA) currently represents 103 New Zealand distilleries, plus 19 pre-commercial distilleries expecting to start business in 2024/25. We estimate DSA membership coverage is 78% of the NZ spirits industry.

The New Zealand Distilled Spirits Industry:

The New Zealand spirits industry is made up of more than 150 distilleries, which employ approximately 910 jobs with an estimated \$41 million per year in wages. The industry is largely made up of small and medium family businesses, with over 65% located in rural and regional New Zealand. The industry has a downstream economic value of \$16.8 million across other industries such as tourism, hospitality, research, agriculture, and manufacturing, providing approximately 1,547 downstream jobs.

Our distillers are recognised amongst the best in the world, bringing home prestigious awards such as the World's Best Gin at the International Wine and Spirits Competition on three different occasions. The New Zealand spirits' sector currently has an export value of \$45.8 million, with New Zealand-made spirits having the potential to match if not exceed the value of New Zealand's Wine Exports.

New Zealand distilleries not only produce some of the world's best spirits but they are also now becoming tourist attractions throughout New Zealand. One third of DSA member distilleries are set up for tours/ events and cellar door experiences, and this has become a significant part of their business income and brand development. Visitors who have had a personal connection with a distillery often become champions of the brand. DSA promotes the NZ Distillery trail through its website: [NZ Spirits Trail – Distilled Spirits Aotearoa](#).

Submission

DSA supports the Amendment to the Sale and Supply of Alcohol (Cellar Door Tasting) Bill, however DSA requests that the Bill should also include **distilleries** under the Amendment since distilleries are impacted by the Act in the same manner as **wineries**.

DSA submits that the current legislation is out of date and forces distilleries to give spirits away for free or forces them to go through significant cost and time to acquire and maintain a separate on-licence. Setting up for on-licence is complicated, and often involves changes to building infrastructure between separate on-licence and off-licence zones.

There are more than 150 small distilleries in New Zealand, with the potential to boost tourism experiences throughout the country. A change to the current legislation would enhance the access of New Zealand's



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distillers to domestic and international tourists, improve small business profitability and connection to the regions.

We would also like to point out that the number of wineries producing distilled spirits is growing, with a number now producing Gin and Brandy through stills on site. These wineries should be able to offer visitors the same experience for all their products.

The DSA submits that the bill should be amended so that a distillery holding an off-license should also be defined as a cellar door. And that a licence holder could charge for cellar door tastings if:

- the premises are a winery, or distillery cellar door
- the alcohol sample is of a grape wine or distilled spirit
- each sample contains no more than 40 millilitres of wine or 10 millilitres of distilled spirit.

The bill should also provide that off-licences may be issued for winery or distillery cellar doors, even if an on-licence is already held for the same premises (such as for a winery that has a licensed café on the premises)

Furthermore, DSA would also support the bill being amended to treat all producers of alcoholic beverages with cellar door operations equally and fairly by allowing breweries and cideries off-licenses to also be defined as cellar doors and allowing any alcoholic beverage produced by the holder of the license to charge for tasting samples.

Yours faithfully

Richard Wilson

Chair – Distilled Spirits Aotearoa (NZ) Inc