

Spirits Platform Pty Ltd
2/40 Lord St
Botany NSW 2019



Submission to the House Standing Committee on Industry, Science and Resources Inquiry on Food and Beverage Manufacturing in Australia

24 April 2024

About Spirits Platform

Spirits Platform is an Australian distributor that operates in the spirits industry. Established in 2015, the business has grown to be one of the largest independent distributors in the Australian spirits market, partnering with global organizations such as Remy Cointreau, The Edrington Group (Macallan Whisky) and Mast (Jägermeister).

The company is based in Botany (NSW) and employs 65 people. Over the years, Spirits Platform has built strong relationships with suppliers in multiple industries, particularly in Supply Chain, Finance and Marketing. The company is supported by a national customer base with direct relationships with national corporations such as the Endeavor Group, Coles, the Australian Liquor Markets, Paramount, Liquid Mix, and the Independent Liquor Group.

The Spirits Platform portfolio represents mostly brands from foreign businesses, attracting from these companies, a significant level of investment in the Australian market to develop their brands.

Over the years, the growth of the business has been consistent and fully aligned with the company values to be a sustainable and profitable business, able to build an ethical working environment by encouraging people empowerment, accountability, and the respect for all the people and organizations involved with Spirits Platform. Spirits Platform promotes corporate responsibility through transparency, cultural diversity and promotes marketing codes based on responsible drinking and ethical promotional activities of alcohol consumption.

Spirits Platform is fully committed on environmental sustainability, recently launching a project to drive the business to become a net-zero entity by 2030.

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Introduction

Spirits Platform in support of the initiative promoted by the Spirits & Cocktails Australia would like to take the opportunity to provide some feedback to the committee to assist with the Parliament Inquiry. Spirits Platform is actively involved in the spirits Australian market with a strategy that pursues sustainable growth, offering to current and new employee's opportunities of career and personal development, in an ethical and innovative workplace.

Over the years, Spirits Platform has developed strong relationships with overseas partners, assisting in building their brands with the result that a significant level of foreign investments has been deployed in the Australian markets. The next step for the business is to review local production opportunities with foreign partners, with more investments to be shared with the local beverage industry.

Spirits Platform is highly committed in environmental sustainability, investing resources to protect the environment at every level, from a sustainable disposal of general waste, to the decarbonization of the business operations, in line with the Paris Agreement signed in 2015 by the 196 countries attending the COP 21.

There are a large variety of opportunities Spirits Platform would like the committee to consider, however, to streamline the suggestions to the major topics, Sprits Platform would like the committee to consider the following points:

1. Approaches to circular economy, waste reduction and decarbonising, including packaging and food waste.

Provide funding to decarbonize the local spirits distillation industry. The spirits distillation industry is a good candidate to achieve significant carbon reduction and ultimately net zero emissions in a relatively short period of time. With the correct technology in place, the by-products from the distillation process, such as the draff and the pot ale, can be transformed in biofuels. The installation of Anaerobic Digestion plants could assist businesses to self-produce combustible gas to be used to feed the internal production, as much sustainable sources of power such as solar system and power windmill can be added to the circular systems.

In consideration of the relatively young history of the Australian Spirits Distillation industry, the availability of funding to assist businesses in this area, would help to create an environmentally sustainable industry, with positive effect on the environment, and to build brand value of the Australian made spirits, supporting the export with a great green narrative.

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2. Mechanisms for the Australian Government to support further innovation and sustainable growth in the sector.

The current taxation system has seen an increase of the Alcohol Taxes to an unexpected level, driving the consumers prices to points more and more unaffordable to consumers. This is particularly penalizing for the small local businesses that do not have the financial resources to support the sales of the large global corporations. Reputable local businesses with a great growth potential are currently struggling in the market and a lot of jobs in the industry are at risk.

Spirits Platform suggests a freeze of the taxation on the alcohol component for the next few years, to allow the market to re-balance and allowing all businesses to compete in a fair environment.

Also, the financial requirements to keep up with tax payments represents a significant financial burden, particularly for small businesses. Line of credits or more sustainable payment terms, aligned with the commercial conditions of the market, should be considered to create a market environment based on equalized conditions.

3. Future workforce and skills needs.

The Spirits Platforms' Spirits Academy is an educational initiative that offers a comprehensive brand-building advocacy program designed to support, educate, and entertain both hospitality professionals and consumers, eager to explore the world of spirits and liqueurs. With a dedicated team of experts, the Spirits Academy hosts a variety of engaging events, including consumer tastings, trade shows, masterclasses, and venue-specific training sessions, all aimed at empowering hospitality professionals throughout their careers.

The educational sessions cater to a diverse audience, ranging from novice bartenders seeking introductory-level knowledge to seasoned professionals and career bartenders seeking advanced training to enhance their skills. Covering a wide array of categories including Whisky, Tequila, Gin, Cognac, and more, our sessions delve into various aspects such as the history, production methods, and flavour profiles of spirits, providing valuable insights into traditions, raw materials, production techniques, and cask aging from around the world.

Spirits Platform would like to suggest the allocation of funds to support similar programs, with the purpose of promoting the local spirits industry, assisting in building visibility of the local industry in the global market.

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Conclusion

Spirits Platform would like to thank the committee for the great effort in reviewing our feedback and for the support with the Parliament Inquiry. We, at Spirits Platform, believe the industry has a great growth potential in both the Australian and export market. The potential also to deliver great value not only to the industry, but to the local communities with the creation of jobs opportunities for the people and ultimately to deliver value to the Australian Economy. We would be happy to assist the committee in any way is required, and we would be available to appear at the public hearing if needed. Spirits Platform would like also to thanks the Spirits & Cocktail Industry for the support and guidance through this process.