

SUBMISSION TO THE SENATE ENQUIRY INTO

EXCISE TARIFF AMENDMENT (2009 MEASURES NO. 1) BILL 2009 AND
CUSTOMS TARIFF AMENDMENT (2009 MEASURES NO. 1) BILL 2009.

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This submission is made on behalf of Angove Family Winemakers (AFW), marketers of Stone's Alcoholic Ginger Beer.

Stone's Ginger Beer is produced for Angove Family Winemakers by SA Brewing in Adelaide, South Australia and has been classified as a beer since the introduction of the most recent formulation 5 years ago.

Our objective in this submission is to have Alcoholic Ginger Beer recognized and taxed as a beer, rather than as an RTD as proposed by the Amendments under discussion

Angove Family Winemakers is a private family owned and operated business, based at Renmark in the Riverland District of South Australia, now with the 4th and 5th generations of the family working in the business. The company has had a very long interest in ginger flavoured products through the Stone's brand. The Stone's brand is owned by a UK company and AFW has been the licensed producer of Stone's Ginger Wine for Australia for nearly 50 years. Numerous products have flowed from the parent product, Stone's Mac, Stone's Exhibition, a Stone's cooler when coolers were the height of fashion, and Stone's Special Reserve. Through out the time we have always believed that a Ginger Beer would be a great addition to the Stone's range and some 10 years ago we began working on this project, and have had a product in the market now for nearly 8 years.

We make reference to the "Context of Amendments"

"1.3 Some products, sometimes known as 'malternatives', made from beer, mimic spirit based RTDs in terms of their taste and marketing.

1.4 (2nd sentence) These tax changes are not designed to affect the taxation of conventional beer products that have the essential characteristics of beer, based on taste and ingredients."

In response to these two contexts we reply,

Ginger Beer is not in any way designed to mimic a spirit based RTD. It is a strongly ginger flavoured conventional ginger beer. It is promoted as a take home beverage and has less than 8% of its sales to on premise outlets. The product does not lend itself to binge drinking. It does not have what the brewers call "sessionability". That is, it is not easy to drink a lot of it, or drink it over a long period of time. It's strong flavour and sweetness play against continuous consumption.

Ginger Beer is a conventional and very traditional product across the globe. It is not a bitter beer as would seem to be the focus of the proposed new definition, but it remains a conventional beer product.

Other issues.

In assessing the options for limiting RTD type products via the wine based beverages product category, traditional products such as Vermouth, Marsala, Ginger Wine and flavoured liqueurs, were accommodated in the reformulation of the definition for wine based beverages. This approach has not flowed over into the changes to the beer definition to limit malternative RTD type products. Traditional products such as Ginger Beer have not been accommodated.

It is contended that there is a lack of continuity in the approach to wine based beverages and beer that requires redress.

A further possibly unintended consequence is that under the new definition the product will not be able to be called Ginger **Beer** as it now will not comply with the definition of beer.

Some back ground information.

Ginger Beer is as old and as traditional as any product can be, and its origins trace back to England in the mid 1700's. Original formulations called for ginger, sugar and water, to which was added a gelatinous substance called "ginger beer plant". Fermentation over a few days turned the mixture into ginger beer. Lemon juice was a common additive.

Our efforts over the last decade to ensure we could label the product "beer" are based on the origins and tradition of the product "Ginger Beer". Taxation was not an issue in the process. An alternative such as Stone's Ginger Brew, could have been made as a wine based beverage and subject to less tax under that regime. But this would not have been in keeping with the traditions of the "Ginger Beer" story. The product had to be able to be labeled "Beer".

It took some research and development with SA Brewing Company to come up with the product, such that it complied with the beer requirements so it could properly be labeled as a beer.

The product continues to be brewed by SA Brewing Company in Adelaide. Specification of the product are 4.8% alc/vol and 9.5 degrees Plato and it is classified as a beer. It has a sweetness level of between 9.5% and 10% by weight of sugar.

Sales volumes also indicate its non RTD status. Where RTD's have sold in their millions of cases, the niche market for Stone's Ginger Beer is small, with current sales around 150,000 cases per annum. For our small company this is an important volume, but by comparison to the RTD business it is insignificant.

We request that Ginger Beer be considered as a conventional beer, albeit not of the bitter beer variety, and not be caught up in the tightening of the beer standard aimed at catching malternative RTDs.

Possible solution.

A possible solution is to specifically define Ginger Beer and include it as an excisable product under the beer category. This will allow the new definition for beer to stand unchanged. If the definition for Ginger Beer is sufficiently tight this traditional product will be allowed to retain its

rightful spot in the market place and there will be no extra likelihood of mimic spirit based RTDs to flow through this avenue.

A definition for Ginger Beer is suggested for consideration below. (This may well require more work if the basic philosophy is accepted.)

Ginger Beer means the product characterized by the dominant flavour of ginger, in the presence of hops or preparations of hops, prepared by the yeast fermentation of an aqueous extract of malted or unmalted cereals or both.

contains more than 1.15 per cent by volume of alcohol.

May have added to it, at any time, spirit distilled from beer, but only if that spirit did not add more than 0.5% to the total alcohol volume of the final beverage.

Has not had added to it at any time artificial sweetener

The following foods may be added to Ginger Beer during production.

Cereal products or other sources of carbohydrate and
Sugar and
Salt and
Herbs and spices.

It is further suggested that through the FSANZ standards that "Ginger Beer" be a prescribed term. This means that any product that complies with the definition must show on the label the words Ginger Beer.

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