



NEWSLETTER OF THE DISTILLED SPIRITS INDUSTRY COUNCIL OF AUSTRALIA



**UPCOMING & ON-GOING
EVENTS**

21 – 25 June

Drug Action Week

www.drugactionweek.org.au

* Review of alcohol beverages that may target young people - NSW

* Victorian Drugs & Crime Prevention inquiry – Strategies to Reduce Harmful Alcohol Consumption

*Amendments to the Liquor Act – Queensland

DSICA EXECUTIVE

Chairman

Mr John Pollaers,

Diageo Australia Limited

Deputy Chairman

Mr Tony Gapes,

Swift and Moore Pty Ltd

Treasurer

Mr Julian Williams,

Bacardi Lion

Executive Director

Mr Gordon Broderick

WELCOME TO SPIRIT-ED FOR
JUNE 2004

**WORLD EXECUTIVES VISIT
AUSTRALIA**

Three leading world drink Executives have visited Australia to inspect their respective Australian operations.

Lord Blyth, Chairman of the Board at Diageo while in Australia dined with the Prime Minister and with other Government dignitaries.

Thomas Flocco, the new President and Chief Executive of Jim Beam Brands, was in Australia to assess the Jim Beams' largest market outside of the USA.

Mr Flocco describes Australia as "tailor made" for the Jim Beam brand and the company is preparing to sink major investment into Australia.

"This is a market where flavours work better because of the popularity of ready-to-drinks (RTDs)."

The Chairman and CEO of Brown-Forman Corporation, Owsley Brown II, visited Australia to take a closer look at the Australian market whilst reviewing brand plans for Finlandia, Southern Comfort and Jack Daniels.

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**NEW MANAGING DIRECTOR
FOR DIAGEO**

After six years as Managing Director of Diageo Australia, John Pollaers, has been promoted to the position of Managing Director - Asia Key markets.

The incoming Managing Director for Diageo's Australian business is Eleanor Craig, who formerly headed up Diageo's Nordic Markets.

Eleanor Craig comes to Diageo Australia with 15 years of international drinks experience and has previously worked for Seagram and UDV Eurasia.

John Pollaers will remain as non-executive Chairman of Diageo Australia and as Chairman of DSICA.

Both John Pollaers and Eleanor Craig will take up their new positions on 1 August 2004.

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**NEW TREASURER FOR
DSICA**

Mr Julian Williams, Managing Director of Bacardi Lion has taken over from Greg Bugden of Maxxium as the Treasurer and Executive Member of DSICA.

DID YOU KNOW?

- **One drink in ten consumed in the coming year, will be an RTD.**
- **The dark spirits of bourbon, rum and scotch continue to dominate the RTD market and collectively hold a 73.6 per cent market share.**

DRUG ACTION WEEK

The 2004 Drug Action Week will be held from 21 to 25 June.

Drug Action week aims to raise awareness of Drug and Alcohol issues in Australia. As part of the program, each day will have an allotted theme, where specific issues can be highlighted and discussed. Monday 21 June will be focused on alcohol issues.

Further information can be found at the following web site: www.drugactionweek.org.au

BEER AND SPIRIT EXCISE UNCHANGED

The recent Federal Budget has made no change in relation to beer and spirit excise rates. Currently, excise increases for beer and spirits, every six months at a rate linked to inflation. The only alcohol tax changes from the Budget were in relation to the Wine Equalisation Tax.

For the financial year 2004/2005 spirits excise is estimated to contribute \$700 million to the Government, and increase of 4.5 per cent or \$30 million on the previous year. Beer excise revenue will increase by 1.8 per cent and the Wine Equalisation Tax revenue will decrease by 4.3 per cent.

ONE DRINK IN TEN TO BE AN RTD

Based on current forecasts for growth and sales of Ready To Drinks (RTDs), they will reach a market share of 10 per cent of all drinks consumed in Australia in the coming year.

Although coming off a low base, RTDs continue to be the fastest growth area in alcohol sales.

The growth in RTDs is being lead by a very strong demand for dark based RTDs, in particular those made from bourbon, rum and scotch.

LORD DALHOUSIE VISITS AUSTRALIA

Patron of "The Keepers of the Quaich", The Right Honourable The Earl of Dalhousie DL, OstJ recently visited Australia.

The "Keepers of the Quaich" recognise people who have performed significant work within or for the scotch whisky industry and Australia is strongly represented in its international membership.

The Keepers of the Quaich have an annual induction of new members at Blair Castle in Scotland. Honorary Keepers include Prince Charles and former United States President Ronald Reagan. The Quaich, the symbol of the society, derives from the Gaelic 'cuach', a drinking bowl.

Lord Dalhousie is a Patron of the 'Keepers of the Quaich' through his distinguished and dedicated service to scotch whisky.

Lord Dalhousie has a fascinating background of community service, he is President of The British Deer Society, Chairman of the Esk District Salmon Fishery Board and a Vice Chairman of The Game Conservancy Trust. He is also a Brigadier in the Royal Company of Archers and The Queen's Bodyguard for Scotland.

During Lord Dalhousie's visit to Australia, the President of the Senate, Senator The Hon Paul Calvert, hosted a private dinner in his honour at Parliament House Canberra. Several senior Ministers and other Members of Parliament and Senators also attended the dinner.



Lord Dalhousie with the President of the Senate, Senator The Hon. Paul Calvert

RESPONSIBLE SERVICE OF ALCOHOL AT BACARDI LION

Recognising the importance of education on the responsible service of alcohol, Bacardi Lion recently demonstrated their corporate responsibility, when all of their staff members undertook the RSA course.

From management to sales and marketing, all Bacardi Lion employees from across the nation took part in the one day course, an initiative Bacardi Lion will implement regularly with all new recruits.

Julian Williams, Managing Director, Bacardi Lion said as a company we view responsible service of alcohol a key priority and felt that all Bacardi Lion employees should be involved in its education through the RSA course.

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**CANDY BRESERS
WITDRAWN FROM SALE**

Lollies that look like miniature Bacardi Breezers (which are in no way connected to Bacardi Breezers), have been withdrawn from sale.

Produced by a confectionary company, the Candy Breesers containing sherbet, come in a 4 pack, were available in some areas of Sydney.

Amid concerns from the community, the distributors withdrew the product from sale and will not be reordering.

The alcohol industry will continue to support the community in its bid to ensure that these types of products remain off the shelves.

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**DSICA PRE-BUDGET
SUBMISSION 2004/05**

Each year, DSICA makes a detailed submission the Federal Government for consideration in the preparation of the Federal Budget.

The submission is prepared with the assistance of KPMG's Indirect Tax Division.

In detail, the submission covers topic such as the taxation of spirits, RTDs, beer and wine, taxation policy principles and customs duty drawback.

The submission sets out a range of taxation recommendations, together with extensive revenue estimates for each recommendation.

A final copy of the 2004/05 submission will be available at www.dsica.com.au

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**DSICA'S MEMBER
COMPANIES**

The Distilled Spirits Industry Council of Australia (DSICA) is the peak body representing the interests of distilled spirit manufacturers and importers in Australia.

Member companies are:

- Allied Domecq Spirits & Wine (Aust) Pty Ltd
www.alliedomecqplc.com
- Bacardi Lion
www.bacardi.com
- Brown-Forman Australia Pty Ltd
www.brown-forman.com
- Bundaberg Distilling Co Pty Ltd
www.bundaberggrum.com.au/
- Diageo Australia Limited
www.diageo.com/
- Jim Beam Brands (Aust) Pty Ltd
www.jimbeam.com
- Maxxium Australia Pty Ltd
www.maxxium.com
- Suntory (Australia) Pty Ltd
www.midori.com
- Swift and Moore Pty Ltd
- William Grant & Sons International Ltd
www.glenfiddich.com

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www.dsica.com.au

Check out the **WHAT'S NEW** section on the DSICA website. **WHAT'S NEW** will display the most recent additions on the site.

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UN/SUBSCRIBE

To subscribe to, or unsubscribe from **SPRIT-ED**, please e-mail your details and request to info@dsica.com.au.

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MORE INFORMATION

For more information on any of the above mentioned issues please contact Gordon Broderick or Luke O'Sullivan.

FREE THE SPIRIT