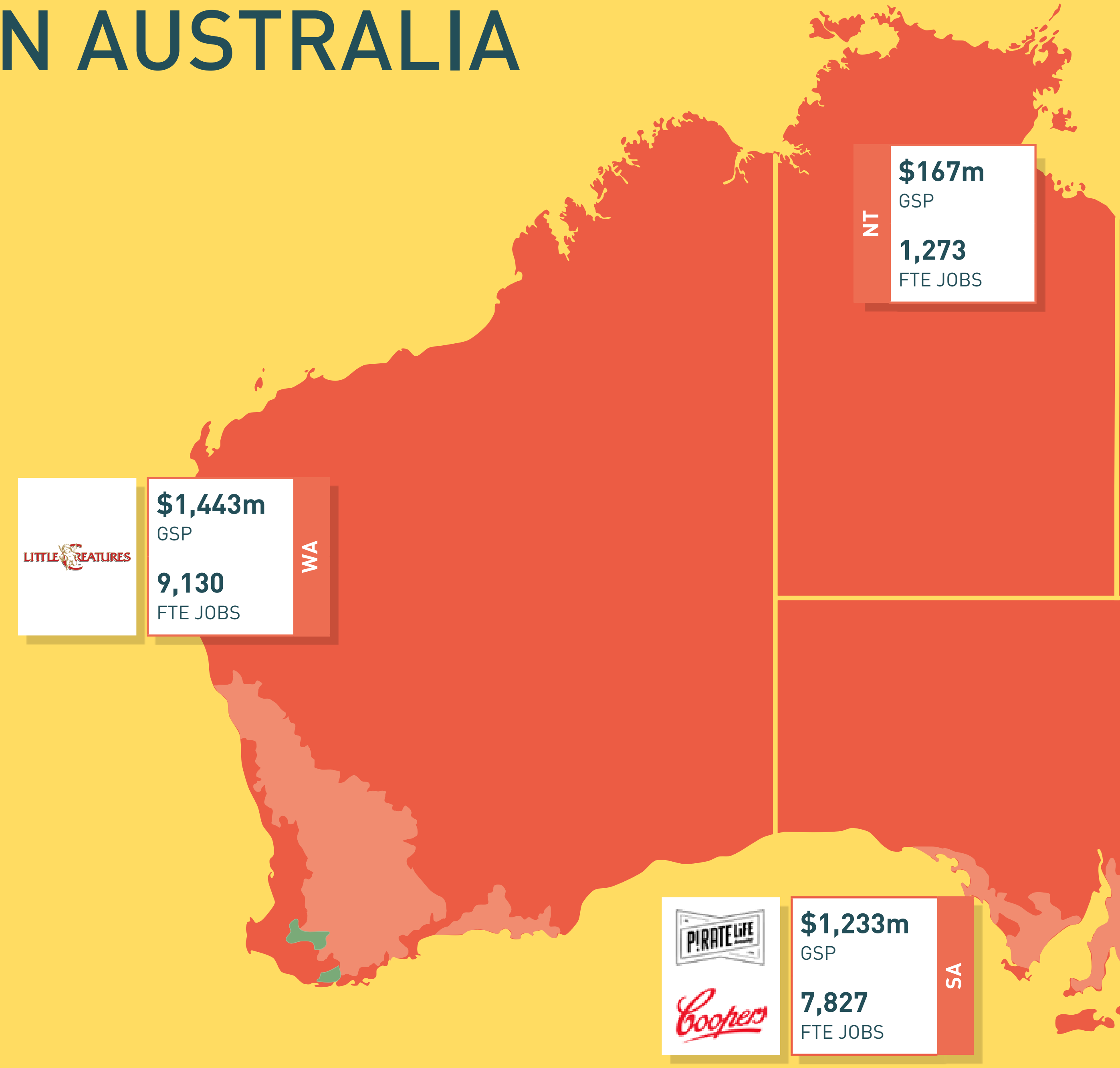
AUSTRALIAN BREWING: OUR ECONOMIC AND SOCIAL CONTRIBUTION

NOVEMBER 2022

BREWERS ASSOCIATION OF AUSTRALIA

BEER PRODUCTION IN AUSTRALIA



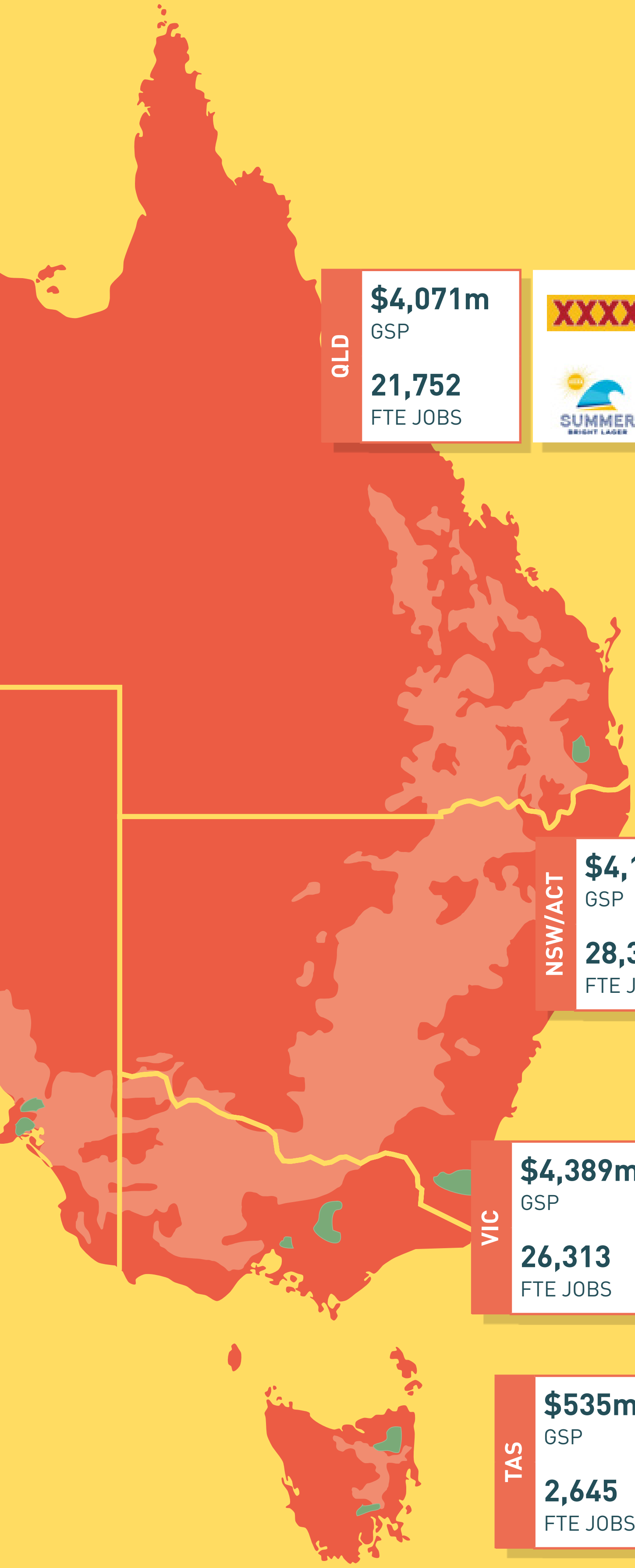
$16,025m
GDP

97,282
FTE JOBS

Barley production
Hop production

Source: ACIL Allen Report Economic Contribution of the Australian Brewing Industry: 2019-20

BREWERS ASSOCIATION OF AUSTRALIA



QLD
$4,071m GSP
21,752 FTE JOBS

NSW/ACT
$4,188m GSP
28,343 FTE JOBS

VIC
$4,389m GSP
26,313 FTE JOBS

TAS
$535m GSP
2,645 FTE JOBS

Source: ACIL Allen Report Economic Contribution of the Australian Brewing Industry: 2019-20

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INTRODUCTION

The Brewers Association of Australia is the peak body representing Australia's leading beer makers and, more broadly, beer drinkers across Australia. It is a leading voice for sensible, responsible and workable policy solutions for our sector and the community.

Our membership comprises the nation's premier beer producers: Asahi Beverages (owner of Carlton and United Breweries), Lion and Coopers. Together the iconic brands and premium beers made by these companies account for more than 79 per cent of all beer sales in Australia. Australian brewing is a critical part of our economy, generating jobs and income for local communities and delivering a world-renowned product that is overwhelmingly consumed moderately and responsibly.

This report, *Australian Brewing: Our Economic and Social Contribution (October 2022)*, contains an overview of the beer market in Australia and updates on recent trends in beer consumption. It also presents an overview of the state and national economic contribution from the production and consumption of Australian brewed beer.

The report draws on findings from research commissioned by the Brewers Association of Australia conducted by ACIL Allen entitled *ACIL Allen Consulting (2021), Economic Contribution of the Australian Brewing Industry 2019-20: From producer to consumer*. The estimates in this report include the direct contribution made by the industry to State GSP and employment along with the contribution embodied in the industry's supply chain. This research updates previous ACIL Allen reports covering the 2011-12, 2015-16, 2017-18 and 2018-19 financial years and is released alongside this report.

This report contains information on sustainability initiatives within the brewing industry aimed at reducing the environmental footprint of the brewing industry and reducing emissions. It also provides critical information on trends in relation to alcohol consumption, including recent progress made in Australia in relation to responsible consumption and reducing harmful consumption..

The economic and social impact of brewing and its supply chain are felt across the country and this report also seeks to set out the importance of the sector in each of the Australian states and territories.

AUSTRALIAN BREWING
OUR ROLE IN AUSTRALIA'S ECONOMY AND LOCAL COMMUNITIES

Australia's beer industry, from barley growing to pouring pints in the pub, **generates**

$16 BILLION

A YEAR FOR
AUSTRALIA'S ECONOMY

Just over

97,000

FTE JOBS IN AUSTRALIA
ARE SUPPORTED BY THE BEER INDUSTRY

Almost

55,000

OF THESE JOBS ARE IN
PUBS AND CLUBS AND OTHER VENUES

↳ **EVERY JOB** that is directly involved in brewing supports

7.7 JOBS

SELLING BEER IN THE
HOSPITALITY SECTOR

QLD

IS THE STATE WHERE BREWING AND ITS SUPPLY CHAIN MAKES
THE LARGEST ECONOMIC CONTRIBUTION

↳ Brewing in the sunshine state contributes just over

$1.95 BILLION

EVERY YEAR AND SUPPORTS
NEARLY 4,000 BREWING AND SUPPLY CHAIN FTE JOBS

Source: ACIL Allen Report Economic Contribution of the Australian Brewing Industry: 2019-20

As a percentage of **Gross State Product** the brewing industry is most significant in **Tasmania** where brewing represents

1.63%

OF THE
STATE ECONOMY

Brewing directly supports almost

3,000

FARM JOBS
ACROSS AUSTRALIA

Brewers purchase

$478 MILLION

OF RAW INGREDIENTS
FROM AUSTRALIAN FARMERS EVERY YEAR

On average, every **Australian made beer contributes**

$4.36

TO AUSTRALIA'S
ECONOMY

Over recent years Australia's

9 MILLION

BEER DRINKERS HAVE EMBRACED
RESPONSIBLE CONSUMPTION

The amount of alcohol consumed per capita from beer has fallen by

30%

OVER THE PAST
25 YEARS

Consumption of mid-strength beer has increased

40%

OVER THE LAST
DECADE

Source: ACIL Allen Report Economic Contribution of the Australian Brewing Industry: 2019-20

STATE BY STATE ECONOMIC CONTRIBUTION

NSW/ACT

- > Beer production and supply chain supporting 3,494 FTE jobs.
- > 28,343 FTE jobs supported including through beer sales in on and off trade venues.
- > $772 million direct contribution of beer production.
- > $4,188 million total contribution including supply chain and retailing (0.62% of total GSP).

$4,188m
GDP

28,343
FTE JOBS

VIC

- > Beer production and supply chain supporting 4,751 FTE jobs.
- > 26,313 FTE jobs supported including through beer sales in on and off trade venues.
- > $1,361 million direct contribution of beer production.
- > $4,389 million total contribution including supply chain and retailing (0.94% of total GSP).

$4,389m
GDP

26,313
FTE JOBS

QLD

- > Beer production and supply chain supporting 3,838 FTE jobs.
- > 21,752 FTE jobs supported including through beer sales in on and off trade venues.
- > $1,444 million direct contribution of beer production.
- > $4,071 million total contribution including supply chain and retailing (1.13% of total GSP).

$4,071m
GDP

21,752
FTE JOBS

SA

- > Beer production and supply chain supporting 2,932 FTE jobs.
- > 7,827 FTE jobs supported including through beer sales in on and off trade venues.
- > $345 million direct contribution of beer production.
- > $1,233 million total contribution including supply chain and retailing (1.11% of total GSP).

$1,233m
GDP

7,827
FTE JOBS

Source: ACIL Allen Report Economic Contribution of the Australian Brewing Industry: 2019-20

TAS

> Beer production and supply chain supporting 564 FTE jobs.

> 2,645 FTE jobs supported including through beer sales in on and off trade venues.

> $244 million direct contribution of beer production.

> $535 million total contribution including supply chain and retailing (1.63% of total GSP).

$535m

GDP

2,645

FTE JOBS

WA

> Beer production and supply chain supporting 814 FTE jobs.

> 9,130 FTE jobs supported including through beer sales in on and off trade venues.

> $349 million direct contribution of beer production.

> $1,443 million total contribution including supply chain and retailing (0.46% of total GSP).

$1,443m

GDP

9,130

FTE JOBS

NT

> Beer production and supply chain supporting 90 FTE jobs.

> 1,273 FTE jobs supported including through beer sales in on and off trade venues.

> $21 million direct contribution of beer production.

> $167 million total contribution including supply chain and retailing (0.64 % of total GSP).

$167m

GDP

1,273

FTE JOBS

Source: ACIL Allen Report Economic Contribution of the Australian Brewing Industry: 2019-20

AUSTRALIAN BEER MARKET OVERVIEW

AUSTRALIAN BEER MARKET OVERVIEW

Australia is an example of how a thriving beer sector can grow and build its economic contribution whilst still leading the way on responsible drinking.

In total in 2019/20 the Australian brewing industry is estimated to have brewed and sold beer into the domestic market with retail sales value of $16.9 billion.

Over recent years Australian beer drinkers have embraced premium and craft beer products and have generally looked for more variety from brewers' product offerings. At the same time there has been a continued shift amongst consumers to mid-strength products and a general trend towards a lowering of Alcohol by Volume (ABV) levels, even in full-strength beers.

Increased variety in the market has increased competition with the beer sector experiencing significant numbers of new entrants both in the craft sector and with retailer private label offerings.

The strength of Australia's great beer brands and the innovation showed by the industry have underpinned the longevity of the sector in Australia. But the industry continues to face significant challenges, exacerbated now by COVID-19.

Beer consumption has fallen steadily over recent years due to changes in drinking patterns and successive increases in excise that have now made the tax on beer in Australia the fourth highest in the developed world. ACIL Allen research using Australian Bureau of Statistics figures has found that per capita consumption of pure alcohol from beer has dropped by over 30 per cent in the past 25 years.

Notwithstanding these changes in consumption levels the Australian brewing industry has continued to invest to meet consumers' changing demands. All three major brewers have invested in upgrading brewing facilities, and acquisitions of smaller craft brewers have often been accompanied by investment in facilities to expand production.

Australian Brewing and COVID-19

Definitive alcohol sales figures for 2020 are now available and these show the full extent of the damage done to brewers and to the hospitality venues which sell their products. Lockdowns in Victoria and elsewhere in Australia have had a profound impact on beer sales with April and May 2020 showing astonishing declines in sales at hospitality venues of 94 per cent and 96 per cent respectively.

Overall sales of draught beer through pubs, clubs and other hospitality venues for the year ending December were down by an incredible 30 per cent. Beer sales through retail venues such as liquor stores did increase over the same period (year to December 2020 compared to the previous year) but this was not enough to offset the fall in on trade sales. Overall the volume of beer sales across the hospitality and retail sectors was down for this period by 2.6 per cent. This represents a massive drop of around $1 billion in revenue from beer sales for hospitality venues with a significant knock-on effect for the brewing industry.

The cost to the brewing industry of lockdowns has been immense. As a perishable product, beer that had been produced and was ready in kegs to be shipped to venues had to be destroyed when these venues were closed. Overall, 373,500 kegs had to be tipped with the costs borne by the sector. That's around 44 million schooners in lost sales to the brewing industry and our hospitality sector.

CASE STUDY

What do the two biggest selling Australian beers have in common?

The answer is they are both mid-strength beers. Great Northern Super Crisp and XXXX Gold are the two biggest beer brands by volume in Australia and both are mid-strength beers at 3.5% ABV (which is the standard measure of alcohol content in drinks).

Australia has led the world in responding to consumer demand for lower strength beers and Australian brewers have embraced new trends as Australians opt to reduce the alcohol content of their beers.

Mid-strength, low strength and zero alcohol beers now account for more than one-quarter of all local beer sales at 26.5 per cent of total sales volume.

BEER CONSUMPTION IN AUSTRALIA: TRENDS

Australia has seen significant decline in the amount of alcohol being consumed by people across all categories over recent decades.

Australian Bureau of Statistics figures show that alcohol consumption in Australia peaked at 13.1 litres of pure alcohol per person in 1974-75. ACIL Allen found that this fell to 10.84 litres in 2008-09 before falling further to 9.18 litres of pure alcohol in 2020-21 – a fall of 3.92 litres of pure alcohol per person (ABS, Apparent Consumption of Alcohol, 2017-2018 and ACIL Allen research, p.15).

In this time total beer consumption has stayed relatively flat but the consumption of alcohol from beer has dropped significantly. Consumption of alcohol from beer has fallen by around 30 per cent over the past 25 years from approximately 5.31 litres of pure alcohol per person in 1996-97 to 3.59 litres per person in 2020-21 (ACIL Allen based on ABS Apparent Consumption of Alcohol, Australia p.16).

This has been driven by a shift in consumption to lower alcohol strength beers by Australians. The data indicates that there is a preferential shift towards mid strength beers since 2004-05 in Australia away from full strength beers. In addition, there has been a change in the average alcohol content of the beer categories.

Australia has seen steady growth of 3.5 per cent Alcohol by Volume (ABV) beers since the early 1990s. The Australian market leads the world in both innovation and consumer adoption of lower strength beers. Since 2010, there has been further acceleration in growth in the 3.5 per cent ABV beer category.

Mid-strength (3.5 per cent ABV) and low strength beers now account for more than one-quarter of all local beer sales at 26.5 per cent of total sales volume. Mid-strength makes up 22.5 per cent of all beer sales in Australia. Consumption of mid-strength beers increased by 130.3 per cent from 1996-97 to 2020-21 (ACIL Allen Report, p. 18). All three of Australia's major brewers (CUB, Lion and Coopers) also produce non-alcoholic beers.

At the same time as consumers have shifted to mid-strength beers, the alcohol content of full-strength beers has also trended downward noticeably from approximately 4.74% in 1996/97 to 4.59% in 2020/21 (ACIL Allen Report, p.20).

AUSTRALIAN BEER: OUR CONTRIBUTION

Major Australian brewers produced an estimated 1.423 billion litres of beer in 2019/20 and, in the process, made a huge contribution to the national economy and to the States in which they operate.

Although imports of beer have grown in recent years they remain a small percentage of the market in Australia (approximately 15 per cent) highlighting the fact that beer production in Australia is principally a domestic industry serving domestic consumers with a domestic supply chain.

The accompanying report, conducted by ACIL Allen for the Brewers Association, quantifies the economic contribution associated with the production, marketing and retail of beer in Australia.

The measure of the direct economic contribution to Australia and individual States of this production is the extent to which it increases the value of goods and services generated by the economy as a whole – in other words the extent to which it increases economic activity as measured by gross domestic product (GDP) or gross state product (GSP).

This production also has a broader, indirect impact on the economy through the intermediate inputs used by the beer manufacturing industry where these are sourced from Australia. These inputs include raw materials for beer (eg barley, hops) but also the services required in the marketing and retail of beer in retail and pubs and clubs.

To calculate the total contribution of beer ACIL Allen use a multiplier to estimate the amount of goods and services that are involved for the total value of beer produced and sold in Australia.

Brewing is truly a national industry in Australia with Brewers Association members operating major breweries in six States across the country. In addition to this, raw ingredients for beer are sourced from across the country particularly barley which is grown from Western Australia across to Queensland and hops, predominantly sourced from Tasmania and Victoria.

Beer's Direct Contribution for 2019/20

ACIL Allen found that the direct economic contribution of the Australian beer production industry for 2019/20 is estimated to have been $4,536 million (ACIL Allen Report, p.IV). This comprises $2,238.7 million of gross value add comprising wages and salaries and pre-tax returns to capital (EBITDA) and $2,297 million of taxes on domestic beer sales (comprising $2,088 million of alcohol excise and $208.8 million GST payable on the excise) (ACIL Allen Report, p.29).

Queensland was the largest State in terms of economic contribution of beer production with around $1,444 million of estimated value add compared to $1,361 for Victoria and $772 million for NSW (ibid).

A further $1,917 million was contributed to the national economy through the supply chain associated with beer production (ACIL Allen Report, Table 4.2, p.31). This includes the raw ingredients for beer production ($473 million), transport and logistics ($268 million) and materials and packaging ($611 million). (ACIL Allen Report, p.30).

In terms of employment impacts ACIL Allen found that brewing supported 5,393 jobs directly with a further 11,091 jobs supported through the supply chain – almost 16,500 FTE jobs directly supported by brewing across Australia. (ACIL Allen Report, Table 4.3, p.32).

Total Beer Contribution to the Economy

The total contribution of the beer industry includes both the direct and indirect supply chain contribution and the value add through the selling of beer in the on and off trade.

For 2019/20 the ACIL Allen analysis finds the total value of the beer contribution to be $16,025 million comprising (ACIL Allen Report, p.40):

> $6,453 million contribution from the brewing industry and its supply chain

> $6,384 million from sales through pubs, clubs and other hospitality venues

> $3,188 million from sales through bottle shops.

The total employment contribution of brewing was 97,233 FTE comprising:

> 16,484 FTE jobs in the brewing industry supply chain

> 55,942 FTE jobs in the on-licence retailing industry supply chain

> 24,856 FTE jobs in the off-licence retailing industry supply chain

It is clear from this, that it is through the hospitality sector that a significant proportion of beer's contribution is made. ACIL Allen finds that for every FTE job in the brewing industry there are a further 7.7 FTE jobs supported through selling beer in pubs, clubs, cafes and restaurants (ACIL Allen Report, Figure 6.1B, p43).

Direct economic contribution: Beer production, 2019-20

	NSW/ACT $ million	VIC $ million	QLD $ million	SA $ million	WA $ million	TAS $ million	NT $ million	Australia $ million
Gross value add: Wages and salaries and Returns to capital	363.1	695.1	757.7	102.7	183.4	126.5	10.3	2,238.7
Excise*	371.5	605.0	624.0	220.5	150.2	107.0	10.2	2,088.3
GST on excise	37.2	60.5	62.4	22.0	15.0	10.7	1.0	208.8
Direct contribution	772	1,361	1,444	345	349	244	21	4,536
Per cent of GSP/GDP	0.12%	0.29%	0.40%	0.31%	0.11%	0.74%	0.08%	0.23%

* This is only excise on domestically produced beer and is exclusive of customs taxes on imported beer.

Note: Totals may not add due to rounding.

CASE STUDY

Coopers $65 million investment in new malting plant

In 2017 Coopers invested $65 million in building a new malting plant at its Regency Park brewery in Adelaide. The 13,000m^2 plant, considered the most technically advanced in the world, represented the largest single investment in Coopers' 155 year history, eclipsing the $40 million cost of the Regency Park brewery in 2001.

At full capacity the maltings produce around 54,000 tonnes of malt a year and give Coopers full control over an important raw material. Coopers will use approximately 17,000 tonnes of the 54,000 tonnes of malt a year in its operations, with the balance sold to a range of domestic and export customers. This includes independent brewers looking for reliable malt supplies.

Malt is a key ingredient in the production of beer and extracts of malt are widely used by food manufacturers. It is produced by germinating and processing barley, enabling specific sugars and enzymes to be accessed. South Australian farmers are recognised as producing some of the best malting barley in the world and this development helped secure Coopers relationship with these key suppliers.

The water used in production came from saline aquifers beneath the brewery, which was desalinated on site. Power is mostly drawn from Coopers' on-site cogeneration plant, which also provides recovered heat for the kiln.

SUPPORTING AUSTRALIAN FARMERS

Australian brewing supports

The Australian brewing industry spent

$478 million

ON DOMESTICALLY SOURCED AGRICULTURAL INGREDIENTS SUCH AS **BARLEY AND HOPS IN 2019/20**

SUPPORTING AUSTRALIAN FARMERS

Beer is a naturally brewed product born of simple, locally grown ingredients, predominantly barley and hops. Supplying these raw ingredients to the brewing industry supports farmers and regional communities across Australia.

ACIL Allen Report (p. 30) finds that the brewing industry sourced $473 million of ingredients from Australian producers in 2019/20. This helped brewing support 3,021 jobs in the agricultural sector.

Australian Barley

More than 2 million tonnes of malting barley are produced by Australian farmers each year for brewing in Australia and overseas. Barley is one of Australia's top crops.

Australia is world-renowned for producing high quality malting barley. In Australia, barley is second in crop size only to wheat, covering almost 4 million hectares sweeping from central and southern Queensland, throughout north to south mid-western NSW, northern and western Victoria, north to south central Tasmania, south-east and south-central SA and south-western WA.

Australia typically produces around 920,000 tonnes of malt from about 1.1 million tonnes of local barley. Australia's domestic brewers use about 190,000 tonnes of malt per annum. The remaining 730,000 tonnes of malt are exported annually, mainly into Asia for brewing.

Locally-based brewers are tightly linked into Australia's barley production and strong relationships exist between all facets of the industry – from breeder to brewer and all stages in between.

Australian barley production for the 2020/21 season was the second highest on record behind 2016/17, coming in at 12.7 million tonnes according to Australian Crop Forecasters.

Australian Hops

Australian hops are internationally sought after. Hops are grown primarily for their flavour and aroma contribution to beer and are farmed over 289 hectares in Tasmania and 411 hectares Victoria, yielding 704.3 tonnes in Tasmania and 940.4 tonnes in Victoria – over 1,600 tonnes in all.

The crop yield for Australian hops continued its growth in 2019, up more than 62 tonnes to total 1,644.7 tonnes. An increase of 3.8%.

CASE STUDY

Asahi Beverages' direct-purchase program

Victorian beer lovers can now enjoy Carlton Draught, Victoria Bitter and other iconic beers knowing they've been brewed with 100% Victorian barley purchased direct from local farmers.

For the first time in decades in 2021, beer brewed entirely with barley sourced straight from Wimmera and Mallee farms is now rolling off the line at the famous Abbotsford Brewery in Melbourne. Asahi Beverages, which owns Carlton & United Breweries, last year removed almost all intermediaries such as bulk grain handlers from the barley supply chain.

As part of the new program, farmers get payments that otherwise have gone to the bulk handlers and Asahi Beverages gets clear sight of the growing process to ensure only the best, sustainably grown barley is used.

Under the old model, farmers sold barley grain to bulk grain handlers who stored it all together, meaning grains from potentially hundreds of different farmers were mixed together before they reached the brewery.

Under the new program, the provenance of a grain can be traced right back to the paddock. This helps brewers better understand the variables that influence barley quality and means beer lovers can be told precisely where the barley has been grown. The program also monitors agricultural inputs to help Asahi Beverages achieve its sustainability targets.

More than 30 Victorian farmers have signed up to the new program. The direct-purchase program has recently expanded to NSW, bringing the amount of barley that will be directly purchased from farmers across Australia to about 70,000 tonnes a year in 2021. There are also plans to expand it to Asahi Beverages' smaller breweries such as Cascade in Hobart.

CASE STUDY

Coopers Brewery supporting Kangaroo Island Grain Growers

Kangaroo Island is a uniquely protected grain growing environment, 14km from the Australian mainland. Its ocean boundary keeps the harvest safe from pests and disease, while the maritime climate and unpolluted soils nurture the growing grain as nature intended.

There are only 4500 people living on Kangaroo Island which is some seven times larger than Singapore in area. Most of the local population are farmers with a strong commitment to sustainable management of the natural resources.

Coopers Brewery is one of the largest customers for Kangaroo Island growers purchasing about 1000 tonnes of barley every year.

Photo by Natalie-Mendham

BEER AND THE HOSPITALITY SECTOR

For every direct employee in the brewing industry in Australia there are

7.7 FTE

JOBS IN
PUBS, CLUBS, CAFES AND RESTAURANTS TO SELL THE BEER

Beer sales support

55,000 JOBS

IN OUR
PUBS, CLUBS, CAFES AND BARS

BEER AND THE HOSPITALITY SECTOR

Beer sales are an integral part of the success of the 12,000 pubs and clubs across Australia.

Around 48% of beer consumed in Australia by retail value is purchased through pubs, clubs and other on-trade venues. In recent years beer sales have consistently averaged around 70 per cent of alcohol volumes in licensed premises and beer is the anchor product for many pubs and clubs.

Hospitality venues make an enormous contribution to their local communities and economies. In compiling their report ACIL Allen has analysed the economic contribution of hospitality venues that is associated with their sales of beer.

The estimated direct economic contribution of domestically produced beer sold through on-licence retail venues is $4,122 million (ACIL Allen Report, p.37), comprising:

> $2,063 million of wages and salaries, directly employing 41,678 FTE people

> $1,316 million of returns to capital

> $742 million of GST

For NSW/ACT beer sales through on-licence retail venues directly contributed $1.265 billion to the NSW/ACT economy. In Victoria the contribution of beer sales through on-license venues was $1.085 billion and in Queensland the contribution was $910.8 million.

In Australia sales through the on-trade of domestically produced beer supported around 55,000 jobs in the hospitality sector including just over 17,000 in NSW, around 15,000 in Victoria and 12,400 in Queensland.

For every direct FTE job in the brewing industry there are 7.7 FTE jobs in pubs, clubs, cafes and restaurants to sell the beer.

CASE STUDY

Lion Investment in Little Creatures Brewery

Lion purchased the Little Creatures brewery business in 2012 and since then has invested to make Little Creatures one of the most successful beer brands in Australia.

Today Little Creatures employs more than 350 people at the brewery across both production and hospitality, which is great news for local jobs and development in Fremantle and for the Western Australian tourism and hospitality industry generally.

The team at Little Creatures delights in people taking in the true sights, sounds and tastes of a brewery and that's why the "Great Hall" was placed smack bang in the middle of the Freemantle brewery.

Since the very early days, being part of the creative and free-thinking arts industry has been a part of Little Creatures identity and they continue to proudly support a range of arts events across the country. Little Creatures also give back to their local community, sourcing local products, employing locally and helping local charities and community initiatives.

CASE STUDY

Cascade Brewery

The Cascade Brewery, set in the foothills of kunanyi/ Mount Wellington, is Australia's oldest and most beautiful brewery. In fact, it is Australia's oldest continually manufacturing plant.

We're proud that the Brewery and hospitality centre makes a substantial contribution to Tasmanian jobs and the economy, from manufacturing to its contribution to hotels, hospitality and retail in almost every town and city in the State. In partnership with our hospitality partners in particular we contribute strongly to Tasmania's world class tourism offering.

Cementing Cascade's place as one of Tasmania and Hobart's most visited tourism attractions, we have recently undertaken a significant upgrade of the Cascade Brewery Bar, installed a premium Cascade Brewery Bar at Hobart International Airport and hosted music festivals, including Out Here in the Field.

Proudly local, we're passionate about celebrating our Tasmanian brewing history. Employing nearly 100 Tasmanians, our doors and heritage beer garden are open seven days, serving up the best of Tasmania in a glass and on a plate.

Additionally, we drive Tasmanian tourism through our historic brewery tours – the perfect way to learn about the proud tradition of the brewery and develop a deep appreciation for its special Tasmanian brew.

TECHNOLOGY AND SUSTAINABILITY

CASE STUDIES

Brewers taking action to reduce emissions

Asahi Beverages

Asahi Beverages, owner of CUB, is committed to sourcing 100% of purchased electricity from renewable sources by 2025.

CUB signed a 12-year Power Purchase Agreement with German renewable energy developer and service provider BayWa r.e. in 2018. This power is sourced from their giant solar farm outside Mildura in northern Victoria and meets most of the power needs of CUB's operations.

Asahi Beverages is also installing solar panels on the roofs of its breweries, which will bring it closer to achieving its 2025 target.

LION

In 2020 Lion's Australian operations became the country's first certified large-scale carbon neutral brewer. Under Lion's Energy Optimisation Program, it aims to brew all of its beers using 100% renewable electricity by 2025.

Lion is investing in numerous renewable energy projects across its sites, including over $2 million in a solar power system at XXXX in Queensland, cutting its annual carbon emissions by approximately 1,260 tonnes – 7% of CO_2 emissions from electricity.

The target overall is for Lion to reduce carbon emissions by 30% from FY15 levels by 2026.

TECHNOLOGY AND SUSTAINABILITY

Australian brewers have invested in technology to reduce emissions, upgrade their production and minimise their environmental footprint.

Our brewing industry is one of the most advanced in the world with a significant commitment to taking action to reduce emissions.

The upgrading of brewery sites in Australia has a positive impact on the local economy with significant local sourcing of equipment and services.

CASE STUDY

Tooheys working together to achieve win-win outcomes

In 2019, Tooheys signed a world-first aggregated Renewable Power Purchase Agreement (PPA). Toohey's involvement as an anchor partner supported the Australian Hotels Association NSW's initiative to engage more than 200 hotels and clubs across the state to join the PPA to secure a cheaper and cleaner energy deal for the industry.

Tooheys and AHA NSW member hotels are deriving 150GWh of clean and cheap solar-generated energy from solar farms in Griffith and Parkes, reducing the existing carbon footprint by about 120,000 tonnes of CO2 per year. Through the agreement, Lion's own carbon emissions have been reduced by 40 percent in New South Wales.

The landmark agreement – the first of its kind - is delivering savings of more than 40% or about $18,000 per year, for hotels - many of which are 'mum and dad operators'.

The PPA commenced in 2020 and continues until 2029, providing much-needed certainty and stability for Tooheys and hotels across New South Wales at a time when energy costs are soaring.

CASE STUDY

Coopers supporting Australian manufacturing

When upgrading its reserve steam generation at its Adelaide brewery, Coopers pursued Australian manufacturing and technology by engaging East Coast Steam, based in Brisbane.

East Coast Steam employs around 20 people, working on highly specialised boiler projects for industrial applications.

Coopers invested over $5 million in the project to purchase and install two 10MW Thermotech boilers. East Cost steam is the only manufacturer capable of delivering this size of boiler, underpinning the importance of retaining this capability in Australia.

The boiler system provides back up to the company's primary energy source, a 4.4MW gas-fired co-generation plant. The plant represents a reduction in carbon emissions of up to 15,000 tonnes annually compared with conventional power sources – the equivalent of taking an estimated 3,200 standard vehicles off the road for a year.

SUPPORTING RESPONSIBLE CONSUMPTION OF ALCOHOL

- Australians are drinking less alcohol. According to Australian Bureau of Statistics figures the amount of alcohol consumed in Australia on a per capita basis has dropped by 25 per cent since the mid-1970s.
- Australians are also drinking more responsibly. The percentage of people drinking at risky levels over a sustained 12-month period fell from 20.8 per cent to 16.8 per cent between 2007 and 2019.
- Beer consumption has dropped even more rapidly. Per capita consumption of pure alcohol from beer has dropped by over 30 per cent in the past 25 years.
- Mid-strength, low strength and zero alcohol beer now account for almost 30 per cent of total beer sales volume. The two largest beer brands in Australia are mid strength brands (XXXX Gold and Great Northern).
- The Federal Government's National Preventative Health Strategy states that "there has been a significant improvement demonstrated by teenagers aged 12-17 years abstaining from alcohol or delaying the age of their first drink".
- The average (mean) age that 14–24 year olds first consumed a full standard drink of alcohol in 2019 was 16.2 years. This is a significant improvement from 2001 when the mean age of initiation was 14.7 (Australian Institute of Health and Welfare, National Drug Strategy Household Survey 2019).
- The proportion of people drinking every day dropped from 9.1 per cent in 2004 to 5.4 per cent in 2019 (ibid.).

Source: ACIL Allen report 'Economic Contribution of the Australian Brewing Industry: 2019-20'; ABS Apparent Consumption of Alcohol Statistics

SUPPORTING RESPONSIBLE CONSUMPTION OF ALCOHOL

Australia has an incredibly strong record of increasing responsible consumption and reducing harmful drinking.

Australians are drinking less alcohol; when they do drink they are drinking more moderately and they are increasingly embracing low and zero strength alcohol products, particularly beer drinkers. Australia's young people are also waiting longer to have their first drink.

This progress has been achieved through strong and effective collaboration between Australian governments, industry and other stakeholders.

Examples of this include Drinkwise, which has received funding from both the alcohol industry and the Federal Government for its campaigns to promote a generational change in the way Australians consume alcohol.

Australia's strong and effective system of regulating alcohol advertising is another example of Government and industry working together to deliver better outcomes.

We can all be proud of the progress that Australia has made in reducing harmful consumption of alcohol. The brewing industry is committed to doing more, however, and we believe there are real opportunities to build on this success, particularly in terms of supporting beer drinkers as they embrace lower and zero strength beers.

CASE STUDY

Alcohol Beverages Advertising Code (ABAC)

Australia has a quasi-regulatory system for alcohol marketing, with marketing guidelines agreed with government and consumer complaints handled independently, with all costs borne by industry. The Federal Department of Health is a direct partner and active participant in ABAC.

ABAC provides for strict regulation of alcohol advertising, marketing and social media. This robust independent system includes government representation, and complements and adds to the Australian Association of National Advertisers' system by providing specific and significant restrictions on the content of alcohol advertising, including:

> Only portraying responsible and moderate use of alcohol beverages.

> Responsibility towards minors (under the age of 18) including that advertisements must not have strong or evident appeal to minors or use actors that may appear to be underage (actors are required to be 25 years or older).

> Responsible depiction of the effects of alcohol by not portraying alcohol as a means to sexual or social success, or change in mood.

> Not depicting the use of alcohol where it may reduce safety.

CASE STUDY

DrinkWise

DrinkWise was established in 2005, with Australian Government and industry funds, to harness the power of evidenced-based social marketing to bring about a healthier and safer drinking culture in Australia.

The Brewers Association supports the DrinkWise model, that applies a whole-of-community approach promoting evidenced-based information and practical solutions that encourage moderation and responsible consumption. It does this through targeted campaigns, education initiatives and resources that inform and support the community. These campaigns have seen significant success over recent years, which is reflected in improving consumption trends.

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