

## **Cider Australia AGM**

**3 June 2020**

**Via Zoom Conference**

### **DRAFT Minutes of Meeting**

Meeting opened at 2:00pm

**Introduction and Welcome** by Jane Anderson, Executive Officer of Cider Australia (CA).

Jane welcomed attendees including guests Brett Murphy and Susan Colyer from Wine Australia.

Mark Ellis provided an introduction to the Zoom software and suggested that participants use the 'Reactions' button (thumbs up or wave) where possible during the meeting to minimise the number of people speaking at any one time.

#### **Approval of AGM Minutes**

Attendees approved the Minutes of the 2019 AGM held in Hobart, TAS on 3 June 2019. Jane noted the key actions from this meeting:

- Survey members on trust mark (complete)
- Investigate cider provenance testing (complete – to be discussed later)
- Organise AusCider 2020 (commenced but 2020 conference postponed due to COVID)
- Private Ruling application to confirm income tax status (complete)
- Cider definition research (ongoing)

#### **Committee Report**

##### Export and Regional Wine Support Package

Brett Murphy, General Manager of the Export and Regional Wine Support Package at Wine Australia, provided an update on the Cider Program (see slides at Attachment A).

Brett outlined key achievements over the past year which included the development of a comprehensive set of resources for producers looking to export. This includes detailed market and consumer analysis for key export markets, and an overarching Go-To-Market implementation guide which sets out how the Australian Craft Cider Brand Proposition can be applied in key export markets. These documents are now available in the member-only section of the Cider Australia website.

Brett noted that the planned in-market launch event, due to take place in China in June, was cancelled due to the ongoing COVID disruptions. Remaining program funding is instead being used to develop educational resources including a Craft Cider Education Guide with in-depth, visually appealing information on Australian cider. Max Allen has prepared content for the guide and Content & Co is overseeing this project. The document will be similar to a mini version of the *Australian Wine Discovered* resources.

The Cider Committee has also engaged Hydra Consulting to deliver workshops on Growing Cider Exports. These will be delivered to interested members in July 2020. The number of participants will be capped at 20 and the workshop comprises 4 modules which must all be completed. A poll of AGM attendees was conducted to establish interest in the workshops and preferences on dates/times. More details will be announced by Cider Australia in the coming weeks.

Brett explained that the Go-To-Market implementation guide includes a refined 'brand story' that reflects the detailed consumer and market analysis undertaken by IWSR and is designed to suit the chosen export markets. This moves away from 'Back to Earth' in favour of 'Pursuing the Real' in line with the consumer analysis undertaken.

Jane noted that a number of video segments and a cider styles webinar are also being explored to bring to life the information in the educational materials, and that these will be available for members to use.

### Market Development

Sam Reid reiterated Cider Australia's vision for Australian Craft Cider which is to increase its market share from 10% to 30% by 2023 (5 Years). He noted that the cider category has been in decline for 3 years but that new data from IRI shows growth in cider made from 100% Australian Grown fruit.

Sam noted that Cider Australia has successfully moved forward its agenda over the past year. A key focus has been the Export and Regional Wine Support Package Cider Program (already covered by Brett) which has been managed incredibly well by Wine Australia.



Cider Australia has continued to roll-out the trust mark and has established Australian Cider Day now we have a clear reason and rationale to celebrate the provenance story. Thanks to Lyndsay and Flying Brick for moving Australian Cider Day forward. On consumer and trade engagement, Sam noted that we have developed an information pack for producers, and that Dan Murphy's is looking at putting the trust mark on its website to denote ciders made with Australian fruit. Next steps are to engage smaller stores and retailers and to increase signage in these stores.

In February, Cider Australia submitted an application under the Federal Government's Traceability Grants Program for the project that will establish if the authenticity of cider made from 100% Australian Grown juice can be confirmed through its chemical fingerprint. We were due to hear about this in April but the process has been delayed.

Cider Australia has made two clarifications on eligibility to use the trust mark:

- All 'ingredients' must be grown in Australia, not just the apples and pears. Note that this does not include yeast.
- The trust mark can now be used on low-alcohol and alcohol free products (further details

on eligibility can be found on Cider Australia's [website](#))

Ongoing work on trust mark roll-out includes registering the IP in overseas markets (starting with China), finalising the licensing agreement and publishing details of approved users on the Cider Australia website.

A significant development this year has been working with IRI (Aztec data) to segment the 100% Australian Grown segment of the category. This new data shows that off-premise (excluding Endeavour Drinks Group data) Australian Craft Cider is 10% of the total cider market, and is growing at 10% per annum which is 13% ahead of the rest of the cider category.

Taking over the national cider conference was a huge development in 2019, though the cancellation of this year's conference which was due to start today, has put a huge dampener on events.

#### AusCider Conference

Jane reported that AusCider 2020 was shaping up to be a great event with \$30k in support from WA organisations, a proactive and engaged organising committee, the engagement of a local event coordinator and Ryan Burk confirmed as keynote speaker. The conference has been postponed due to COVID and due to ongoing uncertainty will not be held until the same time next year. We will run the same theme – *Scaling up with integrity* – with Ryan Burk as keynote speaker if he is available.

Date clashes with other horticulture events was noted and it was agreed Cider Australia will formally approach APAL to see if they will consider holding their annual events to coincide with the conference.

#### Australian Cider Research and Development (ACRAD) Group

The purpose of establishing ACRAD was to flush out the cider research being undertaken across Australia and provide a means for industry to input on needs and directions. Research leads have put together 1-page summary documents defining programs 1, 2 and 3.

Progress under ACRAD requires funding which is an ongoing challenge. Willie Smith's applied for and has been granted funding from Business Connections (AusIndustry) to deliver a project under Program 1: Value Chain Analysis, though this has been put on hold due to COVID.

Kevin Dodds noted that he has explored some low-cost options to further the objectives of Program 2: Production/Growing Systems.

#### Australian Cider Awards

The organising team was pleased with the 2019 Awards. RASV entry software and tablet judging was successfully introduced and there were record entries (again!). Guest judge Tom Oliver was well received and made it across to visit WA producers.

Cider Australia is ready to open the 2020 Awards, however due to COVID it is not yet clear if we can go ahead as planned. The judging presents a number of hygiene risks to manage. A decision on whether to proceed with the Awards in its current format will be made later this month, taking into consideration the [ASVO recommendations](#) on hygiene requirements for wine shows.

Assuming the Awards does go ahead as planned, there will be no changes to classes or any other significant changes. Sebastian Crowther will chair for the second year, and David Sax from New Zealand will attend as guest international judge. The judging will be held in Melbourne on 27 & 28 October and anyone interested in stewarding is asked to contact Jane.

### Policy, lobbying and technical

Cider Australia has engaged on many issues this year including:

- Proposed CUB-Asahi merger – the ACCC consulted extensively with Cider Australia throughout the process and it was encouraging that the ACCC recognised cider is its own distinct market.
- Mandatory pregnancy labelling – FSANZ is due to report back to Ministers in a few weeks after being sent back to reconsider the very bold label it put forward in March. Industry is deeply concerned about the cost of this, particularly in relation to the use of colour, the start HEALTH WARNING text and the requirement to include the label on outer packaging. The ABA is leading a campaign and has asked for industry support, although it does appear that Ministers just want this finalised. ABA is looking for some case studies of how the label would affect smaller producers – Jane will contact members in the near future to ask for information.
- Fortified cider – The ATO has confirmed that cider can be fortified with apple- and pear-based spirits and be taxed under WET. Note the wording of the WET legislation is that ‘no ethyl alcohol from any other source’ can be used and that this means ‘any source other than apple/pear’. The ATO is yet to confirm if apple brandy (ie in Pommeau) can be used in WET-taxed cider (in principle they support), and is in discussions Customs/Border Force as they have a different view.
- Container Deposit Schemes continue to challenge the cider industry. WA has delayed the commencement of its scheme to later this year. Tasmania has announced it will have a scheme in place by 2022 and Victoria by 2022/23.
- Industry (including Cider Australia) has written to first Ministers asking for a pause on any regulatory reforms until businesses have time to recover from natural disasters and COVID disruptions.
- Cider Australia has continued discussions with New Zealand on an industry application to amend the definition of cider under the Food Standards Code. Jane will send out a further proposal in the coming months.
- A Cider Labelling Guide has been prepared to assist members to comply with regulatory requirements. This will cover mandatory and voluntary information on packaging, and will be available in the next few weeks.
- Cider Australia has signed an MOU with the AICV (European Fruit Wine Association) on cooperation and collaboration.

### Future priorities

Cider Australia’s priorities in the coming year will be:

#### *Short term*

- ERWSP – Cider Program
- Cider integrity – application to amend Code
- Provenance testing – subject to grant

#### *Ongoing*

- Australian Cider Awards
- AusCider conference

- ACRAD Program

### Financial Report

Shane McLaughlin, Treasurer of CA and Jane presented the Financial Reports for 2019 (see Attachment B). The accounts show a \$27,000 profit in 2019 (note the organisation ended the previous year with a budget shortfall). Cider Australia took on the AusCider conference which generated additional sponsorship (shown in 'grants') and we generated a profit from the event of just over \$10,000. Membership revenue also increased 36% due to the implementation of fee increases agreed at the 2018 AGM and growth in member numbers.

We have adjusted the 2020 budget in light of COVID and are aiming to break even. This assumes we are able to run the 2020 Awards and AusCider 2021. Compared to 2019, revenue is down 25% and expenses down 11%. Cider Australia qualifies for the Job Keeper allowance which will allow Cider Australia to continue to employ an Executive Officer. Membership and sponsorship revenue is expected to fall, and grant revenue is substantially lower as the Hort Innovation trust mark promotion project is complete.

The Executive has proposed to offer existing financial members a 50% discount on membership fees in 2020/21. It was agreed this will be made voluntary.

There are currently 95 Full and 16 Associate members (including sponsors) for 2019-20. Membership revenue is now around \$44k compared to \$35k in 2018, resulting from the membership fee increase agreed in 2017 and steady growth in new members. Sponsorship revenue was stable at \$30k.

Cider Australia has obtained a Private Ruling from the ATO that confirms we are income tax exempt for 3 years starting in 2018/19. Cider Australia will need to apply for a new ruling in 2021. We have outstanding income tax returns for the years prior to 2018/19 and are working to submit these.

### **Election of Office Bearers**

All positions were declared vacant and Jane Anderson conducted the annual election. The following nominations were received prior to the meeting:

President: **Sam Reid** was nominated (1 Warwick Billings, 2 Gus Kelly)

Vice-President: **Warwick Billings** was nominated (1 Sam Reid, 2 Shane McLaughlin)

Vice-President: **Gus Kelly** was nominated (1 Shane McLaughlin, 2 Andrew Carruthers)

Treasurer: **Shane McLaughlin** was nominated (1 Mark Ellis, 2 Sam Reid)

Digital Manager: **Mark Ellis** was nominated (1 Andrew Carruthers, 2 Warwick Billings)

Category Development: **Andrew Carruthers** was nominated (1 Warwick Billings, 2 Mark Ellis)

**Richard Feyn** was nominated as Secretary (1 Mark Ellis, 2 Sam Reid)

**Tim Jones, Peter Ross, Jo-Anne Fahey** and **Doug Inwood** were nominated as committee members.

All were taken to be elected to the nominated positions. Congratulations and thank you!

No other business was raised and Jane Anderson closed the meeting at 3:32pm

**Attendees**

Sam Reid	Willie Smith's (President, Cider Australia)
Jane Anderson	Executive Officer, Cider Australia
Warwick Billings	LOBO Cider (Vice President, Cider Australia)
Shane McLaughlin	Hillbilly Cider (Treasurer, Cider Australia)
Gus Kelly	Kellybrook (Secretary, Cider Australia)
Mark Ellis	Pobblebonk Ciderworks (Digital, Cider Australia)
Andrew Carruthers	Carmel Cider (Category Development, Cider Australia)
Doug Inwood	3 Sons Cider
Sam Coombes	Batlow Cider
Ian Stott	Batlow Cider
Kevin Dodds	Batlow CiderFest/NSW DPI
Peter Williams	Bellarine Cider Company
Nathan Silm	Cedar Creek Cider
David Pickering	CiderOz
Jo-Anne Fahey	Darkes Cider
Stuart Douglass	Denmark Heritage Cider Co
Nyall Condon	Flying Brick Cider Co
Naomie Clark-Port	Frank's Cider
Peter Ross	Incy Wincy Cyder Pty Limited
Jason Amos	Lallemmand
Tim Jones	RDS Partners
Adam Casotti	Roleystone Brewing Co
Martin Rellstab	Sunshine Coast Cider
Richard Feyn	Sydney Brewery
Nandita Sirohi	Thatchers Cider
Brad Dunk	Yarra Valley Cider

**Invited guests**

Brett Murphy	Wine Australia
Susan Colyer	Wine Australia

**Apologies**

Michael Stafford	LOBO Cider
James Kendell	Small Acres Cyder
Marianne Smith	Get Smith Cider
Paul Hinton	Runamuk Cider Co.
Myron Bullivant	Alpine Cider
Tim Shand	Napoleone Cider
Jeremy O'Brien	Peter Drayton Wines
Jamie McDonald	The Side Project Cider & Beerworks
Cameron Gordon	Napoleone Cider
Damien Viney	Spreyton Cider Co
Emily Lyons	CORE Cider

Attachment B: Financial Statements

## Profit and Loss (1 Jan to 31 Dec 2019)

<b>Account</b>	<b>Jan-Dec 2019</b>	<b>Jan-Dec 2018</b>
<b>Trading Income</b>		
AusCider Tickets	14,118.03	0.00
Entry Fee - Awards Dinner	6,365.35	6,136.31
Entry Fee - Cider Awards	17,284.91	15,302.87
Entry Fee - Festival Tickets	0.00	3,227.81
Entry Fee - Masterclass	0.00	164.24
Grants	58,240.00	6,720.00
Interest Income	6.68	7.75
Memberships	44,473.70	32,468.18
Sponsorship	29,818.18	28,454.55
Stallholder Fee	0.00	3,299.99
<b>Total Trading Income</b>	<b>170,306.85</b>	<b>95,781.70</b>
<b>Gross Profit</b>	<b>170,306.85</b>	<b>95,781.70</b>
<b>Operating Expenses</b>		
Advertising/Marketing	3,000.00	0.00
Awards Collateral	1,266.01	8,878.17
Bank Fees	65.00	22.00
Catering	20,424.13	12,076.39
Computer IT	11,411.99	0.00
Consulting & Accounting	14,709.34	3,403.48
Design & Printing	6,072.98	522.65
Entertainment for festivals/Awards	500.00	600.00
Equipment hire/purchase	3,203.54	3,589.85
Event management	2,500.00	0.00
Festival Collateral	0.00	384.53
Filling Fees	518.53	41.07
Freight & Courier	82.49	201.31
Insurance	1,639.37	2,175.30
Legal expenses	2,700.00	3,118.00
Office Expenses	297.70	796.90
PayPal Fees	318.86	778.31
Photography	747.73	677.27
Subscriptions	1,296.92	1,166.97
Superannuation	3,799.90	3,799.90
Telephone & Internet	42.68	265.34
Travel/Accommodation - International	4,539.82	694.95
Travel/Accommodation - National	9,071.34	7,837.18
Trust Mark	1,950.00	6,200.00
Venue Hire	10,188.00	0.00
Wages and Salaries	39,999.96	39,999.96
Website	2,880.00	0.00
Workers Compensation Insurance	27.94	0.00
<b>Total Operating Expenses</b>	<b>143,254.23</b>	<b>97,229.53</b>
<b>Net Profit</b>	<b>27,052.62</b>	<b>(1,447.83)</b>

## Cider Australia As at 31 December 2019

31 Dec 2019      31 Dec 2018

### Assets

	31 Dec 2019	31 Dec 2018
<b>Bank</b>		
Cider Aust Paypal	4,285	-
Cider Australia	9,339	6,451
<b>Total Bank</b>	<b>13,624</b>	<b>6,451</b>
<b>Current Assets</b>		
Accounts Receivable	36,800	13,435
<b>Total Current Assets</b>	<b>36,800</b>	<b>13,435</b>
<b>Total Assets</b>	<b>50,424</b>	<b>19,886</b>

### Liabilities

<b>Current Liabilities</b>		
GST	4,387	902
Historical Adjustment	29,504	29,504
PAYG Withholdings Payable	1,430	1,430
Rounding	-	-
Superannuation Payable	1,023	1,023
<b>Total Current Liabilities</b>	<b>36,344</b>	<b>32,859</b>
<b>Total Liabilities</b>	<b>36,344</b>	<b>32,859</b>
<b>Net Assets</b>	<b>14,079</b>	<b>(12,973)</b>

### Equity

Current Year Earnings	33,400	11,145
Retained Earnings	(19,320)	(24,118)
<b>Total Equity</b>	<b>14,079</b>	<b>(12,973)</b>



## Profit and Loss (PROJECTED)

<b>Account</b>	<b>Jan-Dec 2020</b>
<b>Trading Income</b>	
AusCider Tickets	14,545
Entry Fee - Awards Dinner	6,136
Entry Fee - Cider Awards	15,000
Grants	30,000
Interest Income	10
Memberships	22,237
Sponsorship	20,873
Job Keeper	19,500
<b>Total Trading Income</b>	<b>128,301</b>
<b>Operating Expenses</b>	
Advertising/Marketing	909
Awards Collateral	1,266
Bank Fees	65
Catering	21,000
Computer IT	8,636
Consulting & Accounting	
Design & Printing	4,608
Entertainment for festivals/Awards	500
Equipment hire/purchase	8,786
Event management	3,500
Filling Fees	519
Freight & Courier	
Insurance	1,721
Legal expenses	1,000
Office Expenses	272
PayPal Fees	1,147
Photography	1,482
Subscriptions	1,297
Superannuation	3,800
Telephone & Internet	43
Travel/Accommodation - International	8,181
Travel/Accommodation - National	10,000
Trust Mark	7,000
Venue Hire	1,818
Wages and Salaries	40,000
Website	455
Workers Compensation Insurance	28
<b>Total Operating Expenses</b>	<b>128,032</b>
<b>Net Profit</b>	<b>268</b>

# Profit and Loss

Cider Australia

For the 12 months ended 31 May 2020

JUN 2019-MAY 2020

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## Trading Income

AusCider Tickets	12,918.02
Entry Fee - Awards Dinner	6,365.35
Entry Fee - Cider Awards	16,957.64
Grants	14,280.00
Interest Income	12.42
Jobkeeper Subsidy (No GST)	3,000.00
Memberships	41,386.00
Sponsorship	23,000.00
<b>Total Trading Income</b>	<b>117,919.43</b>

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## Gross Profit

**117,919.43**

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## Operating Expenses

Advertising/Marketing	3,000.00
Awards Collateral	1,266.01
Bank Fees	13.00
Catering	16,087.77
Computer IT	11,510.41
Consulting & Accounting	5,629.34
Design & Printing	6,072.98
Entertainment for festivals/Awards	500.00
Equipment hire/purchase	2,296.54
Event management	2,500.00
Filling Fees	518.53
Freight & Courier	28.90
Insurance	1,650.91
Office Expenses	153.37
PayPal Fees	180.50
Photography	747.73
Subscriptions	1,237.18
Superannuation	3,799.90
Travel/Accommodation - International	3,576.43
Travel/Accommodation - National	7,892.35
Venue Hire	5,216.75
Wages and Salaries	39,999.96
Workers Compensation Insurance	320.85
<b>Total Operating Expenses</b>	<b>114,199.41</b>

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## Net Profit

**3,720.02**

# Cider Australia As at 31 May 2020

31 May 2020      31 May 2019

## Assets

<b>Bank</b>		
Cider Australia	4,079	15,168
<b>Total Bank</b>	<b>4,079</b>	<b>15,168</b>
<b>Current Assets</b>		
Accounts Receivable	29,930	13,544
<b>Total Current Assets</b>	<b>29,930</b>	<b>13,544</b>
<b>Total Assets</b>	<b>34,009</b>	<b>28,712</b>

## Liabilities

<b>Current Liabilities</b>		
GST	3,658	3,159
Historical Adjustment	29,504	29,504
PAYG Withholdings Payable	2,246	1,022
Rounding	-	-
Superannuation Payable	585	731
<b>Total Current Liabilities</b>	<b>35,993</b>	<b>34,416</b>
<b>Total Liabilities</b>	<b>35,993</b>	<b>34,416</b>
<b>Net Assets</b>	<b>(1,984)</b>	<b>(5,704)</b>

## Equity

Current Year Earnings	17,336	18,414
Retained Earnings	(19,320)	(24,118)
<b>Total Equity</b>	<b>(1,984)</b>	<b>(5,704)</b>