

# Review of Australia's General Tariff Arrangements



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**DISTILLED SPIRITS INDUSTRY COUNCIL OF  
AUSTRALIA INC.**

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Submission to the Productivity Commission

Distilled Spirits Industry Council of Australia Inc.

**SUBMISSION TO THE PRODUCTIVITY COMMISSION  
ON THE REVIEW OF AUSTRALIA'S GENERAL TARIFF  
ARRANGEMENTS**

By

**The Distilled Spirits Industry Council of Australia  
Incorporated: -**

Allied Domecq Spirits & Wine (Australia) Pty Ltd  
Bacardi-Martini Pacific Pty Ltd  
Brown-Forman Australia Pty Ltd  
Bundaberg Distilling Co Pty Ltd  
Continental Spirits Company Pty Ltd  
Independent Distillers (Aust) Pty Ltd  
Remy Australie Pty Ltd  
Suntory (Australia) Pty Ltd  
Swift and Moore Pty Ltd  
United Distillers & Vintners (Aust) Ltd  
William Grant & Sons International Ltd

and

JBB (Asia-Pacific) Pty Limited

**January 2000**



## Table of Contents

<b>1. EXECUTIVE SUMMARY</b> .....	<b>1</b>
<b>2. INTRODUCTION</b> .....	<b>2</b>
<b>3. BACKGROUND</b> .....	<b>3</b>
3.1 A SNAPSHOT OF THE SPIRITS INDUSTRY .....	3
3.2 TARIFF TREATMENT .....	4
3.3 EXCISE ARRANGEMENTS .....	5
3.4 BONDED WAREHOUSE ARRANGEMENTS .....	5
3.5 GST AND SPIRITS .....	6
3.6 LOCAL CLEARANCES / IMPORTED CLEARANCES .....	6
3.7 EXPORTS .....	8
3.8 DRAWBACKS/TEXCO/TRADEX.....	8
3.9 IMPORT PROCESSING CHARGES - COST RECOVERY .....	9
3.10 MANUFACTURING INPUTS .....	10
<b>4. GENERAL TARIFF REVIEW</b> .....	<b>10</b>
<b>5. CONCLUSION</b> .....	<b>11</b>

## 1. Executive Summary

- The Distilled Spirits Industry Council of Australia (DSICA) represents in excess of 80% of the importing, distilling and manufacturing sector of the potable spirits industry in Australia.
- The duty rate applying to spirits falls into two components; namely a 5% customs protective element and secondly, an excise equivalent rate. This rate is currently \$38.14 per litre of alcohol (LAL) for whisky and the like. Preferential tariff rates also apply to spirits. In the case of spirits with a country of origin of New Zealand, Papua New Guinea or certain developing countries, the applicable rate is the excise equivalent component. In the case of other developing countries, such as Poland, Trinidad, Bahamas etc, a customs “protective” element of 3% plus the excise equivalent rate applies.
- There is to a large extent, except for rum and brandy, limited Australian industry distilling spirits specifically for potable use.
- The importers of spirits in Australia provide substantial value - add to these imported spirits due to the processing, blending, bottling and distribution/marketing operations undertaken.
- The customs protective element creates unnecessary compliance and funding costs and increases the price of spirits to consumers.
- DSICA would also welcome the Productivity Commission considering the removal of the 5% ad valorem customs rate applying to a number of the inputs to the manufacturing process, for example, bottles and closures.
- Accordingly, DSICA considers that as there is little Australian industry distilling spirits, except for rum and brandy, there should be no customs protective element imposed at the time of importation.

## 2. Introduction

The Distilled Spirits Industry Council of Australia Inc (DSICA) on behalf of its members, who comprise of importers, distillers and local manufacturers of spirits, wishes to make a submission to the Productivity Commission regarding the Review of Australia's General Tariff Arrangements announced by the Assistant Treasurer on the 21 October 1999.

Imports of bottled and bulk spirit attract a general rate of duty of 5% of the customs value (protective element) plus \$38.14 per litre of alcohol (LAL) (equivalent to the excise rate). In a bottle of 700 mls with 40% alcohol by volume (abv), priced at around \$28, this equates to approximately \$10.67 as the excise rate equivalent, with a further 10 - 30 cents as the customs protective element. The "excise equivalent rate" is indexed to the Consumer Price Index and increases usually twice yearly in February and August. Preferential tariff rates also apply to spirits. In the case of spirits with a country of origin of New Zealand, Papua New Guinea or certain developing countries, the applicable rate is the excise equivalent component. In the case of other developing countries such as Poland, Trinidad, Bahamas etc a customs "protective" element of 3% plus the excise equivalent rate applies

To a large extent, except for brandy and rum, there is limited Australian industry distilling spirits specifically for potable use. DSICA considers there is significant rum distillation in Australia but relative to consumption of other spirits it is comparatively minor. However, there are companies distilling to produce ethanol for use in scientific, industrial and/or base for further processing/manufacturing. The majority of these spirits are for non-potable use and/are able to obtain permission to not pay excise duty on these products, subject to it being used for an approved purpose. If not, and they are imported in bulk they pay 5% and \$39.17 per LAL.

Given there the limited domestic distillation of spirits for potable use, except for rum and brandy, DSICA considers the protective element on such spirits is superfluous and only adds to the price to the consumer. It creates unnecessary compliance and funding costs for the industry and higher prices to consumers. Prices would be able to decrease to consumers if the protective element was decreased or removed.

This submission provides background on the spirits industry including domestic marketing arrangements as well as export details. It also provides information on specific matters raised in the Issues paper dated November 1999.

### 3. Background

#### 3.1 A Snapshot of the Spirits Industry

DSICA represents the interests of the major spirit and liqueur producers and importers in Australia, who are:

Allied Domecq Spirits & Wine (Australia) Pty Ltd	Brand Principal
Bacardi-Martini Pacific Pty Ltd	Brand Principal
Brown-Forman Australia Pty Ltd	Brand Principal
Bundaberg Distilling Co Pty Ltd	Distiller/Local Manufacturer
Continental Spirits Company Pty Ltd	Importer and Local Manufacturer
Independent Distillers (Aust) Pty Ltd	Importer
Remy Australie Pty Ltd	Importer and Local Manufacturer
Suntory (Australia) Pty Ltd	Importer
Swift and Moore Pty Ltd	Importer
United Distillers & Vintners (Aust) Ltd	Importer and Local Manufacturer
William Grant & Sons International Ltd	Brand Principal
JBB (Asia-Pacific) Pty Limited	Importer

These companies represent in excess of 80% of the importing, distilling and local manufacturing sector of the spirits industry.

The spirits industry for potable beverages can be classified in relation to three main areas, imported in bulk, imported in bottle and locally manufactured, such as rum. There is another category of spirits distilled for further manufacture or for industrial use. This is largely sourced from domestic production and does not impact on the potable beverage market given it is usually sold underbond and as bulk product requiring further processing. The spirits industry can be further segmented by type of spirits, for example, scotch whisky, bourbon, rum, brandy, vodka, liqueurs, gin, ouzo, tequila and other spirituous beverages.

DSICA members are importers, bottlers, distributors as well as local manufacturers of potable spirits. A typical selling arrangement is for the spirits to be imported, in bottle, stored in a bonded warehouse, then duty paid and sold to a wholesaler who in turns sells to a retailer for onsale to consumers. Variations include selling direct from the importer to retailers or selling underbond to wholesalers. Generally, branded products such as Johnnie Walker Red Label, Jack Daniels, Bailey's Irish Cream, Stolichnaya etc are imported in bottle form and later distributed.

In addition, spirits may be imported in bulk (higher strength), stored in bonded warehouse, then later reduced (in strength), blended with other products or not, and bottled prior to distribution into the above mentioned selling chain. Such manufacture adds substantial value to the bulk spirit. Some importers/local manufacturers also export, particularly to NZ, South Pacific and Asian countries.

Further, a number of other products are made by blending imported or locally produced spirits with soft drinks, carbonated water or fruit juices for example, Jim Beam and Cola, Bundaberg and Cola, and UDL Vodka, Lime and Soda. This market continues to expand and provides opportunities for locally produced or imported spirits to be further manufactured in Australia as well as exported from Australia.

Local manufacture of spirits includes production of rum, brandy and other spirituous beverages as well as ready to drink spirits drinks.

Potable alcohol beverages are subject to the National Food Standards Code which establish strict criteria as to what spirits may be included within certain categories and their labelling requirements. Further it should be noted that by legislation, spirits that are labelled as rum and brandy and some whiskies must have been aged for two years in wood, whereas scotch whisky must have be aged for three years. Other spirits don't necessarily have these age requirements.

Provision exists for imported spirits to be blended/further manufactured with locally produced spirits and then be treated as if the whole product is an excisable product rather than as an imported product.

### **3.2 Tariff Treatment**

Imported spirits are classified to Chapter 22 of the third schedule of the Customs Tariff. The prime tariff item for spirits is 22.08 and this includes spirits of less than 80% alcohol strength, spirits drinks, liqueurs, and other spirituous beverages. A further classification exists for spirits of alcoholic strength greater than 80% alcohol by volume. For information at Appendix 1 is a chronology of the different tariff rates that have applied to spirits since 1956 through to August 1998. Current rates are shown below:

Spirits of an alcohol strength by volume of 8% Volume or higher	:	5% and \$39.17 per LAL
Brandy	:	5% and \$32.58 per LAL
Other Spirits	:	5% and \$38.14 per LAL

In essence the customs duty rate for spirits is made up of two components, namely, the customs protective element and the excise rate equivalent.

It should be noted that products whose origin is New Zealand, Forum Islands, Developing Countries or places treated as Developing Countries obtain concessional duty rates. In the case of spirits, the concession is the removal of the 5% Customs protective element for New Zealand, Papua New Guinea, Forum Islands and Developing Countries. These countries are still subject to the "excise rate" included in the schedule. Certain specified developing countries, such as Trinidad, Jamaica and Poland, and places treated as developing countries have an ad valorem rate of 3% and the "excise rate". Where an ad valorem component is specified, this rate is applied to the Customs Value of the goods. The Customs value is the value of the transaction between the exporter and importer at the free on board level.

There are no tariff concession order arrangements applicable to imported goods falling to the tariff items mentioned above. The only special concessions apply to alcohol beverages imported by

arriving passengers and there is a quantity restriction applicable to this concession and alcohol beverages exported as ships stores.

There is currently a countervailing duty imposed on exports of brandy from France. The measures are due to expire on the 27 February 2000. However as to whether they will expire is subject to a report that is currently with the Minister for Justice and Customs.

### **3.3 Excise Arrangements**

The administration of imported spirits is run in parallel with the arrangements applying to locally produced spirits. The relevant legislation is the Customs and Excise Acts and Regulations as well as the Spirits and Distillation Acts and Regulations.

Up until October 1998, the controls and collection of duty on imported and locally produced spirits were administered by the Australian Customs Service (Customs). In October 1998 the Government announced that Customs would continue to administer controls on imported goods including spirits but that the administration of locally produced spirits (and beer, tobacco and petroleum products) would move to the Australian Taxation Office (ATO). However, the administrative arrangements associated with the controls and collections of excise and customs duties on these products would continue to run in parallel.

Spirits are part of a category of goods in the Customs Act referred to as “like customable” goods which links back to the Excise Tariff Act.

### **3.4 Bonded Warehouse Arrangements**

Generally most bottled imported spirits are entered for warehousing into a licensed Customs warehouse. This allows the customs duty and sales tax (and in the future the Goods and Services Tax (GST)) to be deferred until such time as the goods are entered for home consumption. Currently, sales tax may be further deferred in the selling chain depending on the circumstances of the transaction.

Arrangements are in place that permit deliveries to be made from such licensed warehouses every day during a weekly period with a reconciliation and payment of the outstanding duties to Customs on the following Monday (Weekly Settlement Permission). Permission also exists to allow the product to be moved underbond between licensed premises and for further manufacturing as necessary to take place.

There are some circumstances when importers do enter spirits for home consumption immediately upon arrival in Australia. However, this is rare as most importers choose to use the warehousing arrangements due to the high rates of duties involved.

Whether for locally produced or imported spirits a vast system of underbond premises exist around Australia to store and distribute underbond spirits. These are all subject to Customs and ATO controls and monitoring.

Bulk imported spirits must by legislation be entered into a licensed warehouse (s104 of the Customs Act refers).



Licence fees are paid for each premise and the fees are adjusted annually in accordance with the CPI. The base fee for initial grant of a warehouse licence in 1998/99 was \$7000 with the base fee for annual renewal at \$4000 pa. Documentary securities are also required and are generally set at an amount commensurate with the duty liability to be covered under bond. This obviously adds to the costs of operating a Customs warehouse.

### **3.5 GST and Spirits**

The Government announced in A New Tax System (ANTS) package that with the removal of wholesale sales tax (WST) and the introduction of the GST, the excise duty rate and the corresponding component of the customs duty rate would increase substantially. At this time, the new duty rates are unknown but preliminary indications from the Treasury are that the rates could increase by up to 40%. DSICA is discussing the quantum of the excise duty rate with the Government.

The proposed increase will have the effect of substantially increasing the cashflow requirements and hence financing costs of DSICA members. This will have the potential to increase prices to consumers of spirits. The Government has stated that it intends to set the excise rate at a level which will ensure that the retail price of a standard bottle of whisky will not need to increase when the GST is introduced.

### **3.6 Local Clearances / Imported Clearances**

The 1999 Statistics Yearbook produced by the Liquor Merchants Association of Australia Ltd (LMAA) (copy at Appendix 1) reveals that clearances have remained reasonably stable over the last 4 years. It is noted that local rum clearances were not included from 1/1/97 in these figures. Accordingly, the LMAA figures are understated. Domestic clearances have increased slightly but from a low base.

In the LMAA statistics (derived from the ABS) shown at Appendix one, there is a category shown as other spirituous beverages. This report does not use these figures as there is substantial double counting in this category thus distorting the overall quantities of imported and local clearances. Much of the imported spirit cleared as its type, for example, bourbon etc is later incorporated with other blends or mixed with other products and is then cleared as an excisable product (as part of a spirituous beverage). This is in addition to its initial Customs clearance - though the total duty is only paid once. Accordingly the figures shown below are a more precise reflection of the actual quantities of imported and domestic spirits consumed in Australia.

The Table below estimate the local and imported clearances of spirits and ready to drink spirits. It is based on accurate market information supplied by the Australian industry.

**TABLE 1: MARKET ESTIMATES OF IMPORTED AND DOMESTIC SALES OF SPIRITS  
1999  
'000's CASES**

	IMPORTED	% OF TOTAL	DOMESTIC	% OF TOTAL	TOTAL & %
<b>WHISKIES</b>					
Scotch	1800	100	0	0	1800 30
Bourbon	1450	100	0	0	1450 24
Other	60	100	0	0	60 .9
Australian	0	0	0	0	0 0
<b>Gin</b>	220	98	98 5	2	225 3.7
Vodka	370	77	110	23	480 8
Liqueurs	690	96.5	25	3.5	715 11.9
Tequila	50	100	0	0	50 .8
Ouzo	10	25	30	75	40 .6
<b>Rum</b>	160	21	625	79	785 13
<b>Brandy</b>	160	37	270	63	430 7.1
<b>TOTAL</b>	4970	82.4	1065	17.6	6035

**TABLE 2: MARKET ESTIMATES OF IMPORTED AND DOMESTIC READY TO DRINK SPIRITS  
1999  
'000's CASES**

	IMPORTED	% OF TOTAL	DOMESTIC	% OF TOTAL	TOTAL & %
<b>WHISKIES</b>					
Scotch	550	100	0	0	550 8.5
Bourbon	4060	100	0	0	4060 62.6
<b>Vodka</b>	550	96.5	20	3.5	570 8.8
Liqueurs	40	24.2	125	75.8	165 2.5
Gin	85	100	0	0	85 1.3
<b>Rum</b>	110	10.6	920	89.4	1030 15.9
Brandy	0	0	20	100	20 .4
<b>TOTAL</b>	5395	83.2	1085	16.8	6480 100

As can be seen from the above tables the major consumption in Australia is of imported spirits and these comprise over 80%. This can be linked to the lack of a specific Australian distilling industry for these products, except for rum and brandy. It is also linked to the consumer tending to only purchase spirits, particularly whiskies, vodka, tequila and gin from the country with which the product is linked, for example, scotch whisky from Scotland, bourbon from the USA. The consumer purchases these products based on the intrinsic qualities of the product rather than purely on price. Accordingly, whisky production when it did occur in Australia found it difficult to compete with the “genuine” traditionally produced and imported article. The notion of continuing to provide a “protective element” to “Australian production” in these circumstances is not benefiting the consumer or the Australian distillers.

Imports of spirits and liqueurs in the year 1997/98 were 19.3 million LAL’s with total clearances being 28.2 million LALS. Imports account for approximately 80% of clearances of spirits.

For the financial year to June 1999, the “unofficial ABS” total customs duty element paid was \$719 million with the customs “protective element” being approximately \$11 million. The published base excise duty revenue estimates for the same period was \$152 million. It is clear that imported spirits are more significant to the consumer than locally produced spirits.

### 3.7 Exports

In terms of exports a summary of clearances (in LALS’s) for 1997/98 is included in the 1999 Liquor Statistics produced by the LMAA (see Appendix 1). This reveals that Australia’s major exports are:

#### **TOTAL EXPORTS (LALS) 1997/98**

Whisky	208,194
Gin	20,484
Brandy	26,194
Rum	106,832
Vodka	46,574
Liqueurs	48,881
<b>TOTAL:</b>	<b>457,159</b>

Major export destinations are New Zealand, Papua New Guinea, Japan and Vanuatu as well as ships stores.

### 3.8 Drawbacks/TEXCO/TRADEX

DSICA members, to a large extent, tend to make exports of spirits direct from the licensed warehouse or excise factory, in other words, as underbond exports, having not paid either the customs duty or excise duty at that point of time. Therefore, the existing drawback and TEXCO arrangements are largely not used by this sector of the industry.

However other parties in the spirits industry selling chain may choose to export duty paid spirits (whether locally produced or imported) therefore it is important that where large duty components (such as the rates on spirits) are embedded in prices that the opportunity exists to get a refund of this duty when the goods are exported. DSICA members are strongly committed to promoting Australia as a major exporting nation.

One critical element in the drawback arrangements is to ensure that where drawback is claimed and the exporter is not the original importer, that the amount refunded is not greater than the amount originally paid in duties. DSICA would seek the Government's continued commitment to ensure that the drawback arrangements are administered in a fair and equitable manner.

In relation to TEXCO, as the focus of most importation of spirits into Australia, and local manufacture incorporating imported spirits, is for domestic consumption, the existing warehouse arrangements, although considered costly in terms of licence fees and import processing charges, are satisfactory. These, as mentioned above, facilitate underbond exports when necessary.

It is recognised that the recently passed TRADEX legislation, which incorporates and enhances the drawback and TEXCO provisions, will be a necessity whilst ever spirits continue to have high rates of excise levied notwithstanding if the Customs "protective element" is removed.

DSICA is highly supportive of the Government's emphasis on facilitating and encouraging exports through the use of such schemes. However, DSICA members are more strongly focused on domestic consumption and hence would need warehousing arrangements to continue, given the high duty rates involved rather than rely on a TRADEX scheme. Underbond exportation or the use of Drawback provisions could supplement the warehouse arrangements to facilitate exports of spirits.

### 3.9 Import Processing Charges - Cost recovery

DSICA members continue to be concerned at the high costs associated with importing products, particularly when there is little Australian industry. The following import processing charges apply:

ITEM	CHARGE
Import Entry via sea lodged electronically	\$29.65 plus 20 cents per line after line 10 - to be paid by owner at time of entry for home consumption or into a warehouse
Import Entry via sea lodged manually	\$51.40 plus \$1 per line after first line - to be paid by owner at time of entry for home consumption or into a warehouse
Import Entry ex-warehouse lodged electronically	\$5.00 plus 20 cents per line after line 10 - to be paid by owner at time of entry for home consumption or into a warehouse
Import Entry ex-warehouse lodged manually	\$26.75 plus 80 cents per line after first line - to be paid by owner at time of entry for home consumption or into a warehouse

*Source: Australian Customs Notice 97/15*

These fees continue to adversely impact on the costs and hence, prices of imported spirits. DSICA is quantifying the impact of these fees and will provide a supplementary submission on such costs in the near future.

### **3.10 Manufacturing Inputs**

DSICA would welcome the Productivity Commission considering the tariff treatment of a number of the inputs to the manufacturing process occurring in Australia, particularly bottles and closures. Many of these inputs include a 5% ad valorem component and the removal of this cost element would advantage Australian consumers by a lowering of the costs and hence prices.

## **4. GENERAL TARIFF REVIEW**

DSICA's position is where little or no Australian production of consequence exists, the customs protective element included in the customs duty rate for spirits and other spirituous beverages, should be removed and these products should only be taxed on the excise rate equivalent.

The 5 % ad valorem element is an unnecessary cost impost on importers and local manufacturers who include imported spirits in their manufacturing process, which flows directly to the Australian consumer. This disadvantages the Australian consumer in terms of price, and the importers in terms of administration and compliance costs of maintaining such a composite duty rate.

A further relevant consideration relates to clearances of spirits from New Zealand. These imports are not subject to the 5% ad valorem protective element and accordingly local production has largely been competing with products not subject to the protective duty. Further it should be noted that a range of other imported spirits have a country of origin that has preferential tariff arrangements in operation. Therefore, to a large extent the Australian industry is already competing in a market place that has a range of imports that are not fully subject to the customs protective element. Extending this to all spirits from all origins will not unduly disrupt the market.

There has been a gradual reduction in the protective element of the customs duty rate for spirits for a number of years. This has encouraged greater efficiencies and competition in the market. DSICA is of the view that removal of the remaining 5% will not disadvantage its members who are local producers/manufacturers and will continue to encourage and promote our international competitiveness. It has the added advantage of allowing the Australian consumer to receive a price decrease.

Given, the Government is committed to reducing tariffs in order to achieve its WTO objectives, DSICA contends that reduction of tariffs on items such as spirits, where there is no or limited domestic production would assist in achieving this objective. This follows other countries such as EU, USA and Canada, who have already implemented similar reductions or elimination of such tariffs.

Accordingly, spirits prices should not have to reflect the 5% protective element where there is limited domestic distillation sector to protect. The 5% tariff is a nuisance in terms of administration costs and clearance costs. DSICA members would welcome the opportunity to simplify their record keeping, duty calculation and entry processing procedures with the removal of the 5% ad valorem component.

## 5. CONCLUSION

DSICA considers that as to a large extent, there is little Australian industry distilling spirits, except for rum and brandy, the 5% protective element should be removed from all spirits tariff items. DSICA members do locally manufacture and blend spirits and consider that removal of the 5% element will not be to the detriment of their business and indeed will advantage Australian consumers.

Price reduction will occur through the direct removal of the 5% ad valorem component, the indirect impact through reductions on base costs flowing through to wholesaler and retailer margins as well as through reduced administration costs. The bottom line is that the Australian consumer will benefit. Removal of the 5% customs duty for inputs to the spirits manufacturing process, such as bottles and closures, would also advantage Australian consumers.

DSICA considers that the existing warehouse provisions are necessary to allow importers and further manufacturers of spirits to defer the large duty rates, reflective of the excise component, until the spirits are entered for home consumption or exported underbond. However, the high costs of warehouse licence fees and import processing charges add an unnecessary cost burden to the Australian consumer. These are costly and disadvantage importers versus local producers who do not have to bear the warehouse licence fees or the import processing charges on their clearances of spirits.

Drawback provisions should be maintained to facilitate exports of spirits and additionally should be properly calculated to ensure that exporters are not claiming a greater refund than which was originally paid in duty.

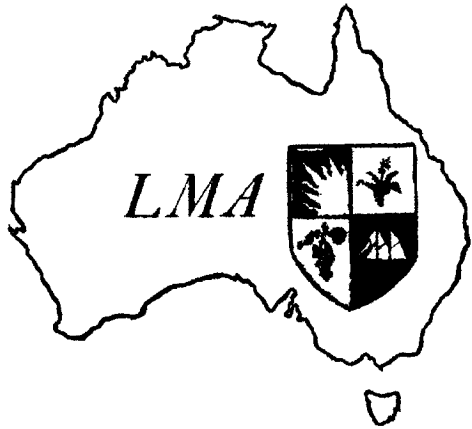
DSICA welcomes the opportunity to discuss this submission with the Productivity Commission in order to progress the review of general tariff duty rates.

## ***APPENDICES***

### ***Appendix 1***

Liquor Merchants Association of Australia 1999 Statistics  
Yearbook

- chronology of excise rates
- imported and local clearances
- exported clearances



**Liquor Merchants  
Association of Australia**

# **1999 STATISTICS YEARBOOK**



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**LIST OF CONTENTS**

**THE AUSTRALIAN LIQUOR MARKET IN 60 SECONDS**

AUSTRALIAN LIQUOR MARKET FOR THE LAST 4 YEARS  
SUMMARY OF BEER CLEARANCES FOR THE LAST 16 YEARS  
SUMMARY OF WINE SALES & CLEARANCES FOR THE LAST 4 YEARS  
SUMMARY OF SPIRITS & LIQUEURS FOR THE LAST 4 YEARS

**PT 1  
BEER**

PRODUCTION OF AUSTRALIAN BEER -----1983/84 ONWARDS  
CLEARANCES OF IMPORTED BEER BY COUNTRY OF ORIGIN ----- 1994/95 TO 1997/98  
IMPORTS OF BEER BY COUNTRY OF ORIGIN -----1994/95 TO 1997/98  
EXPORTS OF BEER BY COUNTRY OF DESTINATION ----- 1988/89 TO 1997/98  
EXCISE & CUSTOMS DUTIES ----- 1966 TO 1998

**WINE**

SALES OF AUSTRALIAN WINE ----- 1981/82 TO 1997/98  
CLEARANCES OF IMPORTED WINE BY COUNTRY OF ORIGIN ----- 1994/95 TO 1997/98  
IMPORTS OF WINE BY COUNTRY OF ORIGIN ----- 1994/95 TO 1997/98  
EXPORTS OF WINE BY COUNTRY OF DESTINATION ----- 1984/85 TO 1994/95

**SPIRITS**

CLEARANCES OF IMPORTED SPIRITS BY COUNTRY OF ORIGIN ----- 1976/77 TO 1997/98  
LIQUEURS BY COUNTRY OF ORIGIN ----- 1992/93 TO 1997/98  
IMPORTS OF SPIRITS BY COUNTRY OF ORIGIN ----- 1994/95 TO 1997/98  
EXPORTS OF SPIRITS BY COUNTRY OF DESTINATION ----- 1986/87 TO 1997/98  
EXCISE & CUSTOMS DUTIES ----- 1950 TO 1998  
IMPORTED WHISKY RE-EXPORTED FROM AUSTRALIA

**GENERAL**

LIQUOR MERCHANTS ASSOCIATION OF AUSTRALIA ----- BOARD OF DIRECTORS  
ALCOHOL CONSUMPTION IN AUSTRALIA  
CONSUMER PRICE INDEX  
HOUSEHOLD EXPENDITURE SURVEY  
LICENCE FEES COLLECTED FROM 1975/76 TO 1996/97  
AUSTRALIAN LIQUOR LICENCES BY TYPE & STATE  
OTHER SERVICES OF THE ASSOCIATION

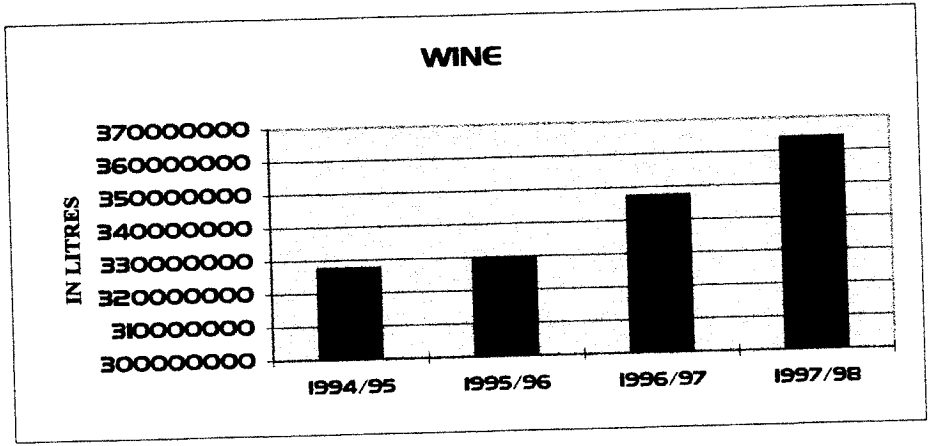
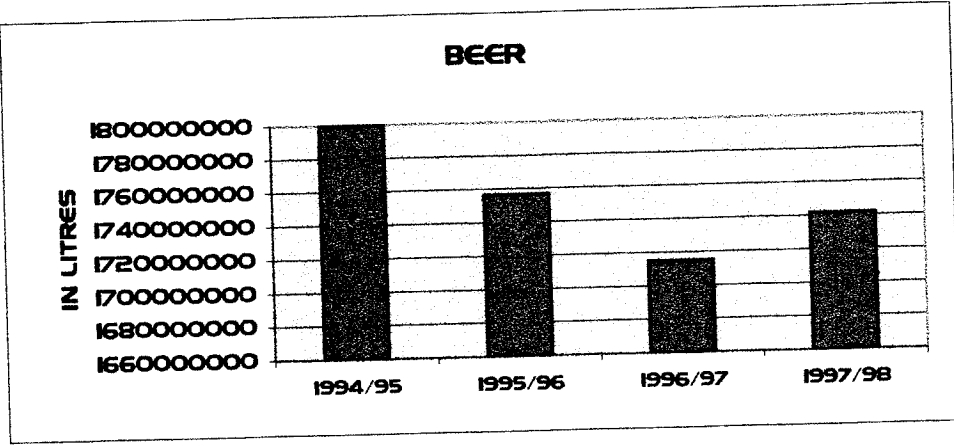
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# THE LIQUOR MARKET IN AUSTRALIA FOR THE LAST 4 YEARS

Note: BEER & WINE IS MEASURED IN LITRES & SPIRITS IS MEASURED IN LITRES OF ALCOHOL (la's)

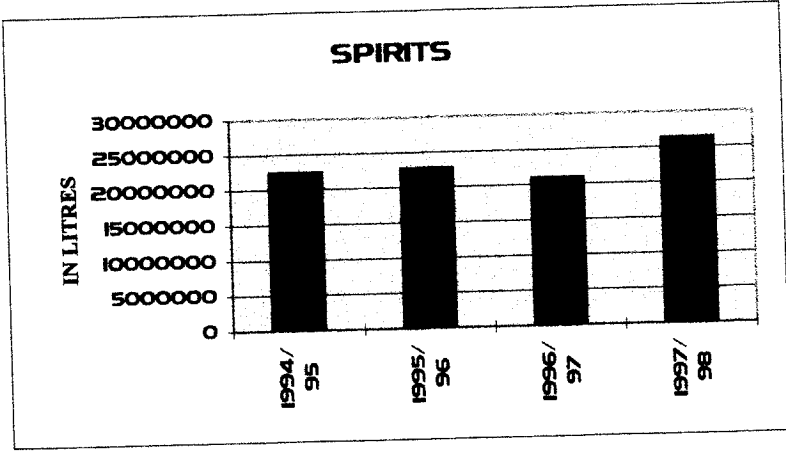
	AUSTRALIAN				IMPORTED				TOTAL			
	1994 95	1995 96	1996 97	1997 98	1994 95	1995 96	1996 97	1997 98	1994 95	1995 96	1996 97	1997 98
<b>BEER</b>	1787573000	1742366000	1697499865	1721799541	12261707	14348517	17237703	19835493	1799834707	1756714517	1714737568	1741635034
<b>WINE</b>	313358000	309455000	333588000	338810000	14058751	20256196	13589646	25055167	327416751	329711196	347177646	363865167
Total Litres	2100931000	2051821000	2031067865	2060609541	26320458	34604713	30827349	44890660	2127251458	2086425713	2061915214	2105500201
<b>SPIRITS</b> (In la's)	5737161	5781302	3283098	6928513	16617691	16901476	17658751	19333741	22354852	22682778	20941849	26262254

Note: Australian RUM as from 1/1/97 is no longer reported by ABS & therefore figures under AUSTRALIAN for 1996/97 & 1997/98 are understated



**NOTES:**  
**BEER**  
 AUSTRALIAN BEER IN 94/5 & 95/6 IS BASED ON PRODUCTION FIGURES  
 AND 96/7 & 97/8 WITH IMPORTED BEER IS BASED ON CLEARANCES

**WINE**  
 AUSTRALIAN WINE IS BASED ON SALES AND  
 IMPORTED WINE IS BASED ON CLEARANCES



## CLEARANCES OF SPIRITS & LIQUEURS IN LAL'S FOR THE LAST 4 YEARS

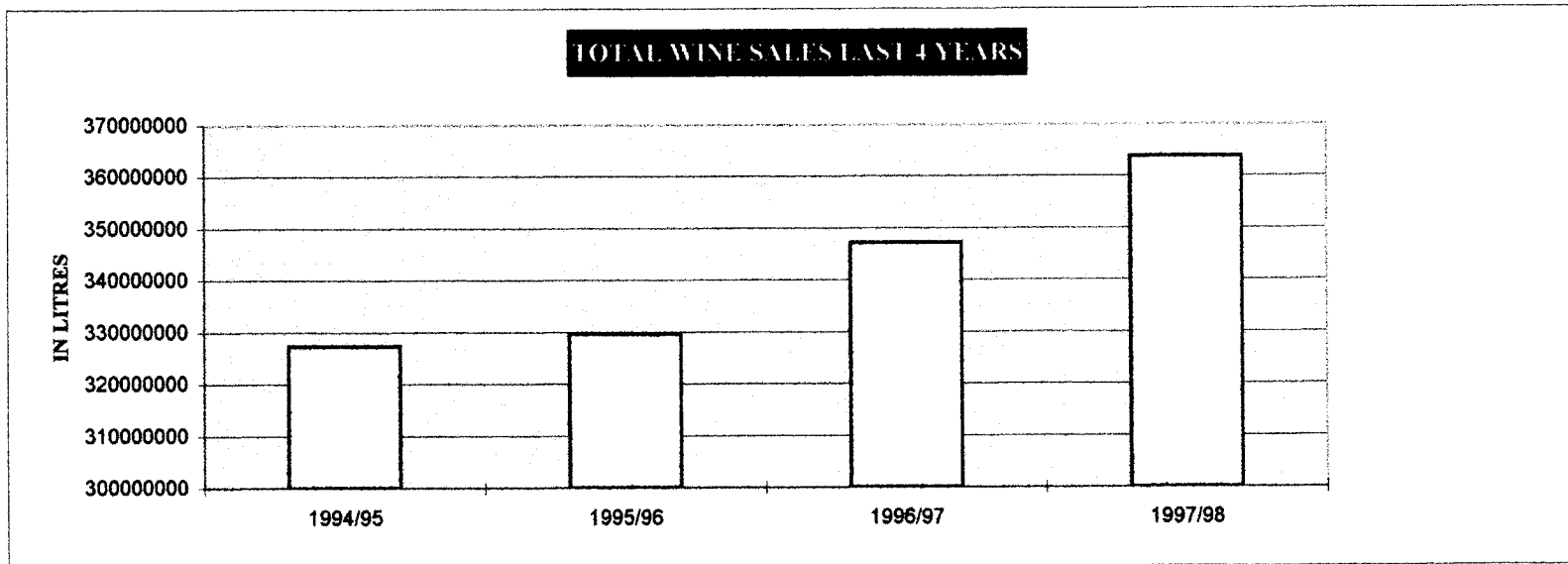
GENERIC	AUSTRALIAN				IMPORTED				TOTAL			
	1994/95	1995/96	1996/97	1997/98	1994/95	1995/96	1996/97	1997/98	1994/95	1995/96	1996/97	1997/98
WHISKY	19500	18908	6	14	7270922	7261457	7211691	7362225	7290422	7280365	7211697	7362239
BOURBON					4891162	5078779	5189348	5990268	4891162	5078779	5189348	5990268
SUB TOTAL	19500	18908	6	14	12162084	12340236	12401039	13352493	12181584	12359144	12401045	13352507
RUM	2036241	2009964	730771	0	532448	528952	543393	595013	2568689	2538916	1274164	595013
BRANDY	1185846	1113121	986948	973818	590387	585346	627991	661419	1776233	1698467	1614939	1635237
TOTAL DARK	3241587	3141993	171725	973832	13284919	13454534	13572423	14608925	16526506	16596527	15290148	15582757

Note: Australian RUM as from 1/1/97 is no longer reported by ABS & therefore figures under AUSTRALIAN for 1996/97 & 1997/98 are understated

GIN	221614	229640	124190	40949	533138	518602	534481	581105	754752	748242	658671	622054
VODKA	412233	444063	358063	357456	696245	809018	844980	1233253	1108478	1253081	1203043	1590709
OTHER	1788191	1897406	1019528	5501581	299056	320431	957828	1188105	2087247	2217837	1977356	6689686
TOTAL WHITE	2422038	2571109	1501781	5899986	1528439	1648051	2337289	3002463	3950477	4219160	3839070	8902449
LIQUEURS	73536	68200	63592	54695	1804333	1798891	1749039	1722353	1877869	1867091	1812631	1777048
ALL SPIRITS	5737161	5781302	3283098	6928513	16617691	16901476	17658751	19333741	22354852	22682778	20941849	26262254

## SALES & CLEARANCES OF WINE FOR THE LAST 4 YEARS

IN LITRES	AUSTRALIAN								TOTAL WINE			
	1994/95	1995/96	1996/97	1997/98	1994/95	1995/96	1996/97	1997/98	1994/95	1995/96	1996/97	1997/98
TABLE WINE	25585000	247271000	268766000	276894000	6099641	7922439	8449959	10424427	257684641	255193439	277215959	287318427
CHAMPAGNE	NA	NA	NA	NA	159720	862020	1106729	1029484	159720	862020	1106729	1029484
SPARKLING	28001000	30459000	32553000	31068000	1522091	1429106	1280225	1965897	29523091	31578106	33833225	33033897
CARBONATED	3434000	3087000	3431000	3166000	NA	NA	NA	NA	3434000	3087000	3431000	3166000
<b>SUB TOTAL</b>	<b>31435000</b>	<b>33296000</b>	<b>35984000</b>	<b>34234000</b>	<b>268181</b>	<b>229126</b>	<b>2386954</b>	<b>2995381</b>	<b>341681</b>	<b>35527126</b>	<b>38370954</b>	<b>37229381</b>
FORTIFIED	27000000	25863000	25629000	24574000	271687	104643	104710	134906	27271687	25967643	25733710	24708906
VERMOUTH	18000	999000	1026000	963000	235329	304343	297541	61040	1353329	1303343	1323541	1573140
FLAVOURED	2220000	2086000	2183000	2145000	0	0	0	0	2220000	2086000	2183000	2145000
<b>SUB TOTAL</b>	<b>3338000</b>	<b>3085000</b>	<b>3209000</b>	<b>3108000</b>	<b>235329</b>	<b>304343</b>	<b>297541</b>	<b>61040</b>	<b>3573329</b>	<b>3389343</b>	<b>3506541</b>	<b>3718140</b>
WINE-NES	NA	NA	NA	NA	4770283	9633645	2350482	1089033	4770283	9633645	2350482	1089033
<b>TOTAL WINE</b>	<b>313358000</b>	<b>309455000</b>	<b>333588000</b>	<b>338810000</b>	<b>14058751</b>	<b>20256196</b>	<b>13589646</b>	<b>25055167</b>	<b>327416751</b>	<b>32971196</b>	<b>347177646</b>	<b>362865167</b>



# SUMMARY OF BEER CLEARANCES IN AUSTRALIA IN LITRES--1982/83 TO 1997/98

	GROWTH %		GROWTH %		GROWTH %		
	TOTAL BEER	FROM BASE YEAR 82/83	AUSTRALIAN	MARKET %	IMPORTED	MARKET %	FROM BASE YEAR 82/83
1982/83	1859027770		1856934261	99.89	2095309	0.11	
1983/84	1821437961	-2.02	1818880507	99.86	2557454	0.14	22.06
1984/85	1793278245	-3.54	1789157978	99.77	4120267	0.23	96.64
1985/86	1832773378	-1.41	1827324990	99.70	5448388	0.30	160.03
1986/87	1791003650	-3.66	1784600000	99.64	6403650	0.36	205.62
1987/88	1816657735	-2.28	1808529000	99.55	8128735	0.45	287.95
1988/89	1886707934	1.49	1876698000	99.47	10009934	0.53	377.73
1989/90	1955383199	5.18	1943422000	99.39	11961199	0.61	470.86
1990/91	1926286457	3.62	1915377000	99.43	10909457	0.57	420.66
1991/92	1874058699	0.81	1862305000	99.37	11753699	0.63	460.95
1992/93	1817963250	-2.21	1805110000	99.29	12852250	0.71	513.38
1993/94	1763161216	-5.16	1752231000	99.38	10930216	0.62	421.65
1994/95	1799834707	-3.18	1787573000	99.32	12261707	0.68	485.20
1995/96	1756714517	-5.50	1742366000	99.18	14348517	0.82	584.79
1996/97	1714737568	-5.86	1697499865	98.99	17237703	1.01	574.02
1997/98	1741635034	-2.88	1721799541	98.86	19835493	1.14	381.41

SINCE 1989/90 AUSTRALIAN BEER FIGURES ARE PRODUCTION LITRES WHEREAS IMPORTED ARE BASED ON CLEARANCES

