



Queensland Craft Brewing Strategy

First edition – November 2018

The Department of State Development, Manufacturing, Infrastructure and Planning

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Foreword from the Premier

Queensland has always been a state of optimism. You can see it written in the sandstone and cedar of parliament house celebrating its 150th birthday this year. Back then they knew this would be a state that would do great things. And we have.

Queensland is where Australia manufactures everything from trucks to military tanks.

We're at the cutting edge of medical research and innovation.

Our children beat the world at robotics and together Queensland businesses and producers export more than the economies of New South Wales and Victoria combined.

Biofuels – largely unheard of just a few years ago – are now on tap at Brisbane airport.

Our early adoption of a rechargeable super-highway has set the pace for all electric cars in Australia.

And we are at the dawn of a new age of hydrogen.

Queensland favours the bold and those willing to have a go and that includes the new and growing industry of craft brewing.

I congratulate all involved with this new manufacturing sector contributing \$62 million annually to our economy.

I'm told Queensland's share of the Australian craft beer market has grown nine per cent in six years.

They are an enthusiastic and passionate lot. Just as we've been for more than 150 years.

Our manufacturers operate in a rapidly changing environment. Businesses need to adopt leading-edge technologies, practices and processes and be agile and responsive to customer requirements and emerging market opportunities.

Queensland offers a unique home for manufacturing businesses to grow and evolve. Our state's abundance of natural resources, comprehensive infrastructure networks, unrivalled proximity to the high-growth Asia-Pacific market, competitive business and living costs and enviable lifestyle, make Queensland a compelling location for business to operate.

Within Queensland's manufacturing sector, independent craft brewing is emerging as a fast-growing industry. The independent craft brewing scene in Queensland is young and dynamic, with significant potential and scope to expand locally, interstate and internationally. Our local craft brewers have already established a reputation for award-winning quality and brewing techniques, with multiple accolades awarded to our brewers.

The Queensland Craft Brewing Strategy (QCBS) has been developed by my government in consultation with industry. We are committed to partnering with this niche and progressive industry to drive ongoing growth across the state, while acknowledging that the strategy will be delivered within the framework of the Government's policy on the responsible consumption of alcohol.

We acknowledge the industry's growing economic contribution to Queensland's economy. By investing in emerging industries like independent craft brewing, we are well-placed to capitalise on tomorrow's opportunities, creating jobs of the future and building a strong and diverse Queensland economy.

My Government acknowledges the contribution different industries make to the overall economy and vibrancy of our state. It's the right time to support an industry that is positioned for growth and has the passion and enthusiasm evident in Queensland's independent craft brewers.



The Hon. Anastacia Palaszczuk MP

*Premier of Queensland,
Minister for Trade*



Foreword from the Minister

Queensland is invested in manufacturing. The sector is a significant driver for our growing economy, creating direct and indirect jobs, attracting private investment and facilitating innovation.

The manufacturing industry is vital to our state – employing over 179,000 people and contributing more than \$20 billion to the economy, while driving innovation across a range of growth industries.

Within the manufacturing industry, the Queensland craft brewing industry is well positioned to benefit from shifts in consumer preferences, with new, innovative product lines expected to contribute to increased demand.

The Queensland Government is committed to partnering with this growing sector to drive further growth across the state, which will have positive flow-on benefits for employment, investment and the sector's reputation.

The QCBS was developed by a joint government-industry working group. The working group identified real opportunities for independent craft brewers to take advantage of the:

- › changing environment within which craft brewers operate
- › dynamism and recent growth of the craft brewing industry in Queensland
- › opportunities to access new domestic and international markets.

The QCBS identifies three key priorities that support the independent craft brewing sector to develop its capability and capacity, access new markets and increase economic contribution:

- › investing in people and infrastructure
- › improving access to markets
- › appropriate regulation and planning

From these priorities, nine corresponding actions have been identified and are set out in the QCBS, including investigating the establishment of a 'brewlab' facility in Queensland by 2020, and the development of vocational education courses for budding craft brewers.

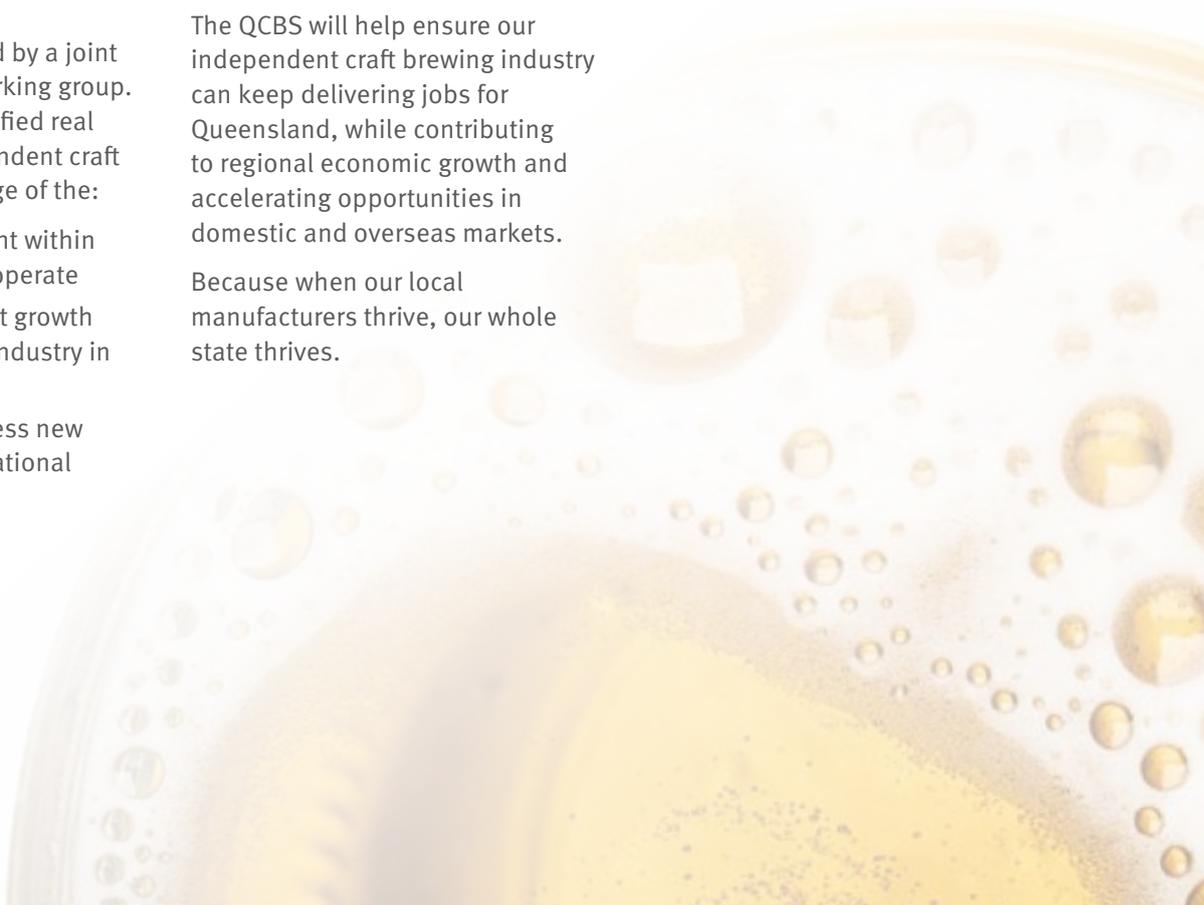
The QCBS will help ensure our independent craft brewing industry can keep delivering jobs for Queensland, while contributing to regional economic growth and accelerating opportunities in domestic and overseas markets.

Because when our local manufacturers thrive, our whole state thrives.



The Hon. Cameron Dick MP

*Minister for State Development,
Manufacturing, Infrastructure
and Planning*



‘Craft brewing is an industry that supports farming, supports innovation, supports local business and supports an all-inclusive social environment.’

Kerry Claydon, CWA Coordinator and Production Manager, Balter.





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About the Queensland Craft Brewing Strategy

Queensland's craft brewing industry is innovative and dynamic. It is an emerging part of the economy, offering a variety of employment and investment opportunities.

Objective of the Queensland Craft Brewing Strategy (QCBS)

The objective of the QCBS is to drive the continued economic development of an independent craft brewing industry, that will generate jobs, contribute to Queensland's regional economic growth and provide opportunities to access new markets.

The Queensland Government has developed the QCBS in partnership with industry.

A QCBS working group was formed as an expert panel to help guide the development of the QCBS and ensure that it reflected the concerns of the industry.

The strategy is supported and shaped by research highlighting national and international trends and comprehensive consultation conducted across the local craft brewing industry, which identified the challenges faced, and opportunities available, for craft brewers. A series of workshops were

held with industry and government representatives to formulate the three priorities addressed by this strategy.

The strategy responds to the significant recent growth of the independent craft brewing sector. It leverages the sector's unique characteristics and quality product. It also supports new market access and the development of a skilled workforce to drive productivity and growth.

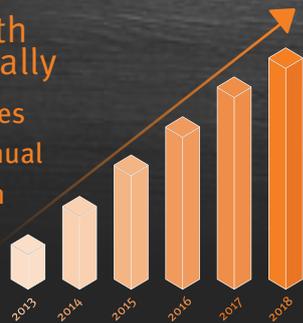
The working group will continue to be involved in implementing the QCBS.





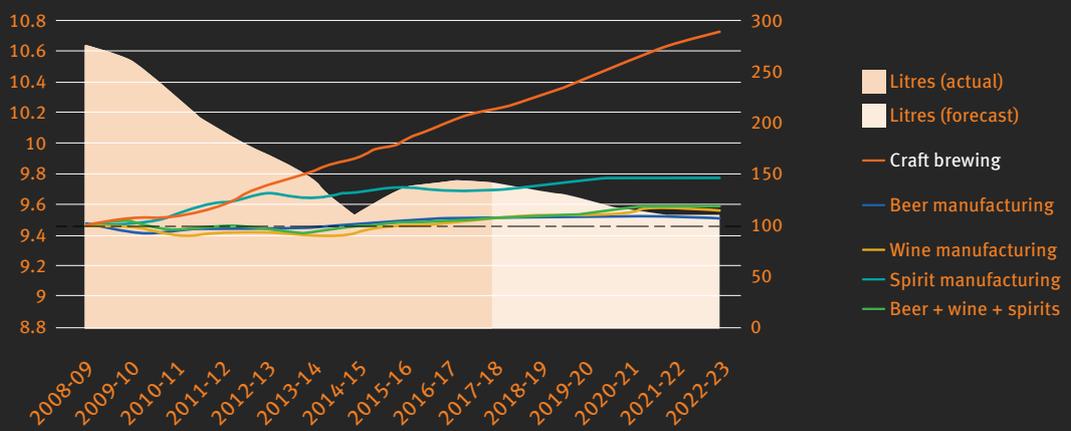
9.7% growth annually

Craft brewing revenues have grown at an annual rate of 9.7% between 2013 and 2018.



Craft brewers employ **20** full-time staff on average

Indexed alcohol beverage revenues and per capita alcohol consumption in Australia, 2008 to 2023



During the 2017-18 financial year, on average...



craft brewers spent...
\$90,000 on barley



craft brewers used...
50,000 kg of barley



craft brewers spent...
\$95,000 on hops



craft brewers used...
2,575 kg of hops

Defining craft brewing

The term ‘craft beer’ is used to identify higher-quality, artisanal products. Craft brewing is differentiated from high-volume beer manufacture through the products it offers, predominantly boutique in nature, offering a variety of flavours and using high-quality ingredients to produce a premium product.

Craft brewers interpret traditional beer styles using innovative ingredients and techniques to develop new styles. Importantly, independent craft brewers, the primary target of this strategy, are majority Australian owned and operated.

Independent craft brewers generally open brewpubs (an establishment serving beer brewed at the microbrewery on the premises) attached to their breweries where they can offer services and other experiences such as food pairing, live music, community events and tours.

94%
of craft beer drinkers
believe the quality
of craft beer in
Australia
is improving



A snapshot of the industry

Queensland's craft brewing sector is relatively new, with the first independent craft brewery opening in Burleigh Heads just over ten years ago.

The industry is characterised by innovative, community-based small-to-medium businesses. New businesses are being established across the state to keep pace with increasing demand. Currently there are nearly 90 independent craft breweries in Queensland employing an estimated 1700 persons.

In particular, there is an increasing number of craft breweries establishing in regional areas. There are currently about 20 craft brewers

located in regional Queensland taking advantage of the locally grown ingredients, unique landscapes and tourism opportunities.

Market structure

Australian beer consumption is currently at a 65-year low. Euromonitor International data shows that between 2011 and 2016, per capita beer consumption in Australia declined more than 9.5 per cent. This is a trend that is

anticipated to continue for reasons of health and because Australians are more informed about responsible alcohol consumption.

The local industry currently contributes an estimated \$62 million annually to the Queensland economy and continues to grow.

Despite the decline in beer consumption in Australia, the Australian craft beer market is flourishing. Changing consumer tastes, and the shift from 'quantity' to 'quality' have seen the craft beer movement defy the downward beer consumption trend. Despite its small proportion of the national market, the craft brewing industry has seen significant growth over the past five years. Revenues associated with craft brewing are growing at an annual rate of 9.7 per cent between 2013 and 2018, outstripping the rate of growth in beer manufacturing, which was 2.1 per cent over the same period. Queensland's independent craft brewers are part of this national trend.

The increased development of craft breweries will continue as the market matures, and as consumers demand premium, innovative, and diverse offerings.





Economic contribution

As at September 2018, there are nearly 90 independent craft brewers in Queensland located from Port Douglas in the north to Burleigh Heads in the south.

Nationally, the craft brewing industry has shown a high growth in new businesses, with an average annual growth over 11 per cent

between 2008–09 and 2017–18 (approximately 30 new businesses each year). Queensland’s growth in craft breweries reflects this national trend with the number of independent craft brewers in Queensland (reported by the Independent Brewers Association (IBA)) nearly doubling from 45 in 2015–16 to approximately 90 in 2017–18.

Nationally, the craft brewing industry has shown a high growth in new businesses, with an average annual growth over 11 per cent between 2008–09 and 2017–18.

The craft brewing industry is growing as an economic contributor to both the Queensland and broader Australian economy. The industry is currently contributing an estimated \$62 million annually to the Queensland economy, and is growing. Queensland’s share of the craft beer market in Australia rose by over nine per cent between 2013 and 2018.



of craft beer drinkers... visit specialist craft beer bars and pubs every 2-3 months



Queensland craft brewers employ, on average, 20 full-time employees (FTEs) with a typical mix of one brewer to four hospitality workers. Of note, several brewpubs employ more than 50 hospitality workers, providing significant job opportunities within the local and regional communities they operate in.

International research shows that craft breweries have a large multiplier effect. In terms of direct employment, craft breweries have a multiplier of 5.77 and in terms of wages, have a multiplier of 3.39.¹

Beyond the contribution to employment, craft brewers make significant investment in capital equipment and purchase large volumes of agricultural inputs such as hops and barley, in addition to other specific and seasonal produce used to flavour their beers, such as strawberries and coffee.

Case study Ballistic Beer Co

Like many of its peers in Queensland's independent brewing industry, Brisbane-based Ballistic Beer Co in Salisbury has seen a meteoric rise from humble beginnings. From an idea first conceived by two friends in 2014, Ballistic opened in 2016 as a pilot operation based in a World War II-era shed.

Today, it's a multiple-award-winning brewery employing more than 23 people and brewing around 500,000 litres of beer each year. Ballistic has expanded to a second wholly owned venue in West End to enhance the reach and distribution of its product in a market where access to beer taps is key.

Ballistic Beer owner David Kitchen is optimistic about the future of Queensland's independent brewing industry. While smaller and less mature than the industries in other states, he points to Queensland breweries sweeping

national awards and the rapid pace of growth as signs of the potential that exists.

Ballistic Beer's mission is to give the community the best beer and the best times. They have created a place people can go to relax and enjoy their own company or the company of others, with children and dog-friendly events proving very popular. Ballistic believes that every patron deserves a great beer, no matter what they bring to the table.



Innovative and socially responsible trends

Craft beer is considered to be fresh and is increasingly preferred by consumers especially in developed countries.

Research from Roy Morgan regarding the Australian Liquor Industry, published in April 2018, reveals a very similar trend in Australia. The research reports a ‘premiumisation trend’ meaning that Australians are drinking less, preferring to consume better-quality alcohol, in lower quantities.

This premiumisation trend correlates with craft beer trends in the Australian

market, with artisan appreciation being a key driver of consumer behaviour.²

The approach to responsible alcohol consumption is widely recognised and supported by the craft brewing industry. The government is committed to delivering this strategy within the state’s policy framework for Responsible Service of Alcohol.

Australian consumers are also increasingly showing a preference for locally produced craft beer. The Brewers Association of Australia and New Zealand indicates that 93 per cent of beer consumed in Australia is locally produced.

It is acknowledged that while there are many positive benefits from promoting and supporting the growth of the craft beer industry, this must be tempered by the acknowledgement that the government has policies designed to address the potential negative effects associated with excessive consumption of any alcohol.



Case study CWA

Playing on the CWA name, this group shares similar values and objectives as its moniker, bringing women together, creating a network with a strong community focus. Chicks With Ales (CWA) is a group run by women, for women, brought together by the love of good beer. Free to join and open to women of all ages, from 18 up to 118 years, they meet regularly to discuss and appreciate all things craft beer.

Coordinated by Kerry Claydon, Balter Brewery's Production Manager, the group was established with the aim of changing the perception that the beer industry is 'blokey'.

Kerry understands the beer industry intimately, having worked for large commercial breweries, but estimates that only five per cent of the beer industry's workforce are women. She identified that women have a genuine interest in learning about beer and through CWA, she hopes to increase education about the craft and different varieties, and hopefully drive more women to enter the industry.

Many Queensland breweries are winning national and international recognition for their beers, and it's certainly putting the state on the craft brewing map.

Events like Brewsvegas, are attended by interstate craft brewers keen on seeing what's happening within the Queensland industry.

CWA recently won the Gold Beery award at the Queensland Beeries awards night, recognised for their outstanding contribution made to the industry, encouraging women to come together, as a community, to appreciate craft beer. Through better education and inclusion, she really believes women in the craft brewing industry are poised for success. The Queensland market is continuing to be a force to be reckoned with, on both the national and international stage, and she hopes that through CWA, women will become more knowledgeable about beer and encourage more women to work within the industry.



Image courtesy of Trent Mitchell



Like in the food industry, consumers are looking to support the use of quality local ingredients in beer manufacturing, such as local barley and hops. This trend is often referred to as ‘paddock to pint’. The support for local breweries mirrors the growing trend in the Australian food industry to support locally grown produce, epitomised in the Country of Origin Labelling introduced by the Australian Government on 1 July 2016.

An increased emphasis on social responsibility and health is driving the growth of the non-alcoholic beer market which is projected to surpass US\$25 billion by 2024 according to a research report by Global Market

Insights, Inc.³ In August 2018, Carlton & United Breweries (CUB) launched ‘Carlton Zero’ a non-alcoholic beer. The media release accompanying the launch noted that there has been a long-term shift in Australia’s drinking habits: low and mid-strength beers now represent 20 per cent of CUB sales and that Australian sales of non-alcoholic beers have grown 57 per cent over the last five years.⁴

Queensland’s independent craft brewers are ensuring they keep pace with market, by offering low alcohol or non-alcoholic, ‘low carb’ and flavoured beers to meet customer demands.

Case study **Moffat Beach Brewing Co.**

Touted as Australia's only beachfront brewery, Moffat Beach Brewing Co. specialises in handcrafted ales. Established in 2015, Moffat Beach Brewing Co. was the dream of Matt and Sharyne (Shaz) Wilson who wanted to create a unique beachfront destination for the craft beer lover and a hub for the local foodie. Matt and Shaz left Sydney and found the spot for their vision to become a reality.

Located just metres from Moffat Beach, Sunshine Coast, visitors find it's the perfect location to enjoy a beer and delicious food, looking out to the beach, with the crew welcoming weary surfers in from the waves. They offer customers a unique choice of craft beers, while adopting ethically and environmentally friendly practices.

Every beer is created to suit a type of drinker, food or season, and they have developed specific beers to meet the needs of their customers, using the finest ingredients available.

Moffat Beach Brewing won two awards at the 2018 Independent Brewers Association 'Indies', taking out best small Australian independent brewery and winning the Champion Session beer category (low-alcohol beer, 4 per cent and under). Their low-alcohol beer, Social Jam, was developed to target Brisbane day-trippers, who wanted to enjoy a cold beer, near the beach, but still drink responsibly knowing they had to drive.

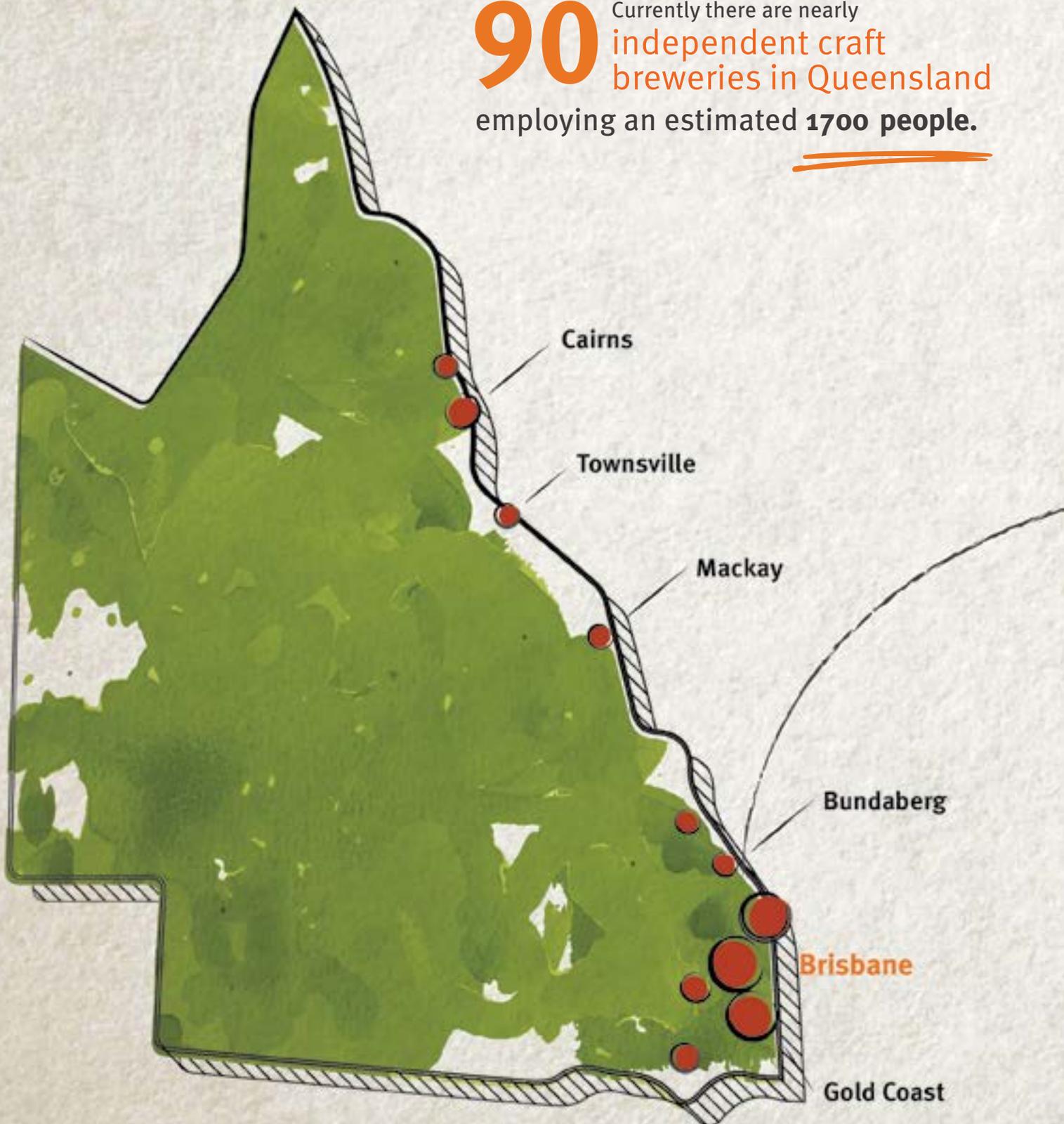
Moffat pride themselves as a community hub, hosting events like beer tastings and live music 'between the tanks' where they showcase local talent.

85%
of craft beer drinkers
are buying more
Australian craft and
less international
craft beer



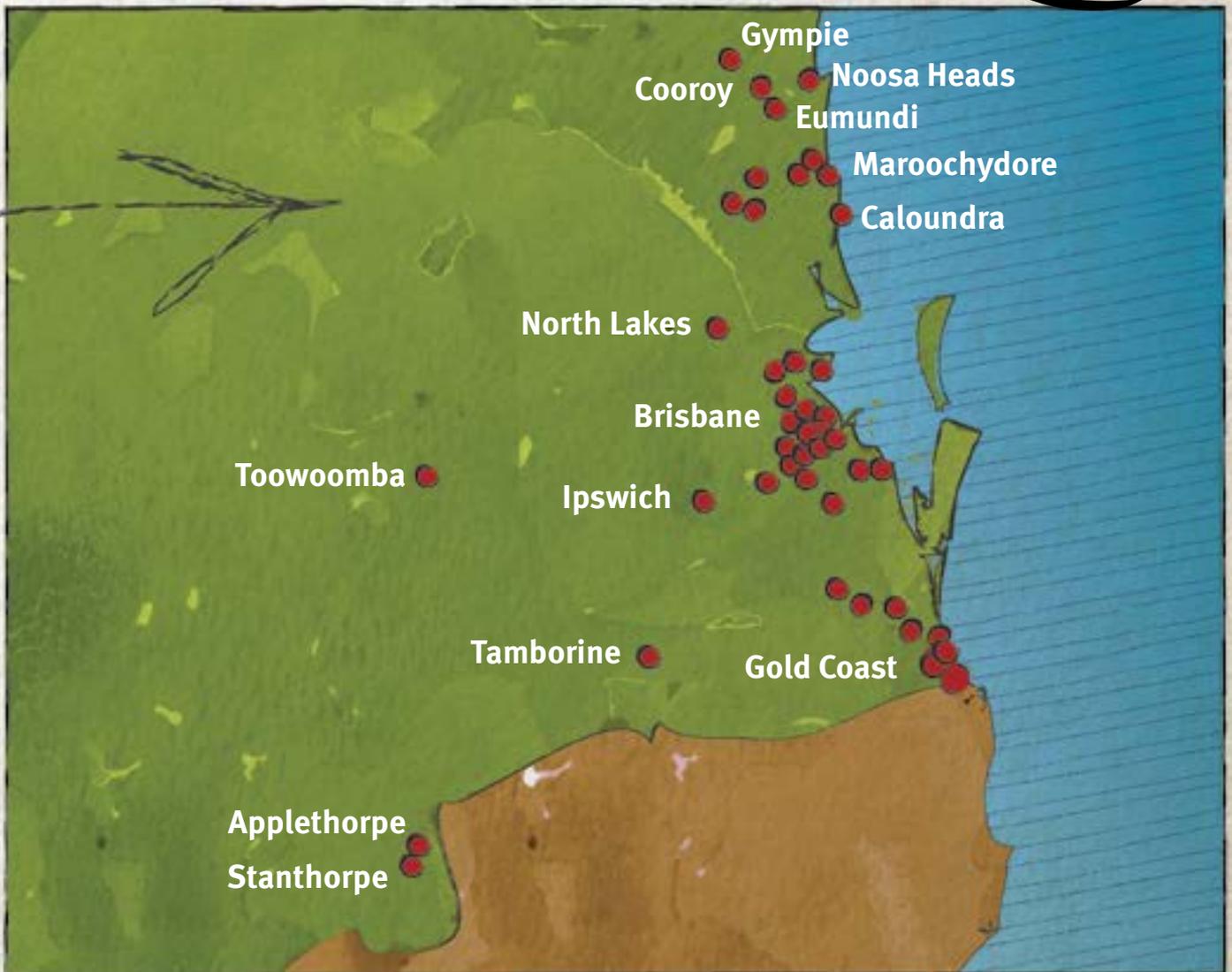
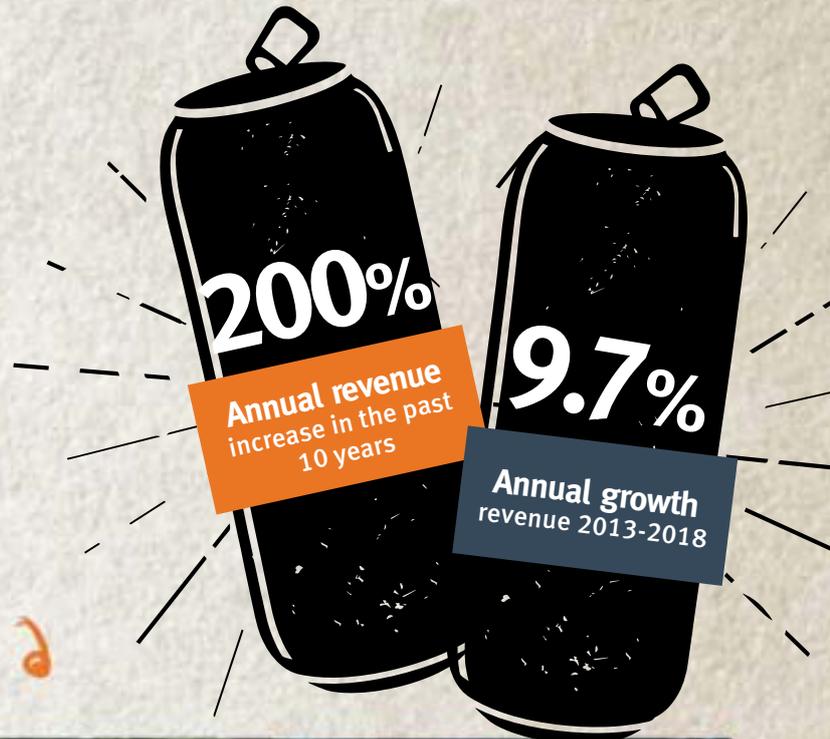
Craft brewers throughout Queensland

90 Currently there are nearly **independent craft breweries in Queensland** employing an estimated **1700 people**.



While Queensland may be a little slow on the uptake, when we execute something, we do it so well, and our craft beer industry is a great example of this. Our breweries are winning awards left, right and centre, and our annual Brewsvegas event attracts interstate craft brewers who are impressed by how inclusive and progressive our industry is.

Kerry Claydon, CWA Coordinator and Production Manager, Balter.





Key priorities and actions

The strategy identifies three key priorities and corresponding actions to support the independent craft brewing industry to develop its capability and capacity, access new markets and increase its economic contribution.

These priorities have been developed following extensive consultation with the local industry and other stakeholders, including stakeholder workshops.

Priority 1 Investing in people and infrastructure

Investment is key to driving long-term improvements in competitiveness and in creating opportunities for the industry. This strategy supports the industry to invest in product quality, skills and supply chain development.

Investing in quality

In Queensland, the craft beer sector has seen significant and rapid growth in recent years as brewers have capitalised on changing consumer preferences.

These preferences are being driven by the quality and variety of brews being produced which distinguishes it from high-volume brewers. The palettes of Australians are also changing with premiumisation driving the growth of craft beer. With many Australians travelling abroad and craft beer production in Australia gaining momentum since the late 1990s, local consumers have developed high expectations about how a craft beer should taste and manufacturers have been keen to reflect this consumer sentiment in their produce.

Craft beer manufacturers are

investing more heavily in quality assurance and quality control to minimise batch variations and maintain consistency in taste.

Consumers are becoming more conscious about the origin and production methods adopted by food and beverage manufacturers. Craft beer producers are taking advantage of this trend by emphasising the branding of artisanal products from specific regions as an integral part of

their marketing strategies.

Queensland's craft brewing sector is already being recognised as a national industry leader, evidenced by the awards won by local brewers. The quality of Queensland craft beer is one of the industry's key competitive advantages. Maintaining this quality and taking their products to a wider market audience are essential to continued growth and economic success.





At the 2018 IBA's Indies Awards, held in June 2018, 24 Queensland breweries were nominated and won 100 medals. Moffat Beach Brewing Co. was named Champion Independent Brewery and seven Queensland breweries won a combined total of 14 gold medals.

Queensland's craft brewers were also recognised at the 2018 Australian International Beer Awards (AIBA), the largest annual beer competition in the world. Trophy winners included Green Beacon Brewing who took out champion medium brewery.

Similarly, maintaining the innovation and idea sharing prevalent within the Queensland craft brewing sector has been cited as key to ensuring products keep pace with the expectations of consumers. The

2018 Australian Craft Beer Survey, conducted by Beer Cartel, identified the need for continuous innovation with the majority of craft beer drinkers looking for new beers to try.

To support the maintenance of a reputation for quality and continued innovation in the industry, the government will investigate the establishment of a brewlab, subject to a successful business case. The brewlab will provide the services and advice of an experienced brewer at a facility where brewers can develop and test new products without shutting down existing production. Quality testing services and access to sensory and consumer testing will enable brewers to test out new brews via a panel of consumers prior to going into production.

Action 1

Investigate establishing a 'brewlab' facility in Queensland by 2020, subject to a successful business case, providing analysis services, delivering up-to-date practical and theoretical brewing skills; creating an environment for brewers to develop and test new products.



Investing in skills

Rapid growth in the industry has generated a shortage of brewing skills.

Many brewers are learning on the job in an informal manner as there are few formal training platforms available. However, the demand for formal training is growing as evidenced by the success of the Microbrewing course operated by Sydney TAFE. All 20 students from the first intake in 2016 are currently employed in the industry and the intake was doubled for 2017.

In addition, the Queensland Craft Brewing survey identified that well-trained brewers are essential to support continued quality improvement and adoption of

innovative techniques within the local industry as it expands.

The government will work with TAFE Queensland to develop a course for craft brewers in 2019. This course could be complemented by the brewlab, enabling brewing students to obtain hands-on experience in brewing techniques.

It is recognised that brewing skills are just one element of a successful craft brewing industry. Management and leadership skills are equally as important and critical to increasing productivity and competitiveness.

This strategy will facilitate access to government programs, such as the mentoring for growth program, which can assist managers and leaders to develop their businesses in a sustainable manner.

Action 2

The government to work with TAFE Queensland to develop a course for craft brewers in 2019, and support brewers to access appropriate upskilling opportunities.

Investing in the supply chain

With 95 per cent of all beer sold in Australia being made in Australia, our vibrant beer industry is a major driver of economic activity and domestic jobs, supporting vital cogs in industry from Australian farmers upstream to brewing, packaging, distribution and freight, all the way through to retail, tourism and hospitality.

Craft brewers are producing larger volumes of beer to keep up with consumer demand. Of those consulted, the average independent craft brewer now produces in excess of 240,000 litres of beer per annum.

To keep up with the production of increasing volumes of beer, Queensland's craft brewers, on average, each spent approximately \$800,000 per year on capital equipment between 2015–16 and 2017–18.

They are also buying more ingredients, including hops and barley. In 2017–18, consultation identified that craft brewers were spending approximately \$95,000 on hops and \$90,000 on barley. In 2017, this

represented an estimated 2,575 kg of hops and 50,000 kilograms of barley per craft brewer surveyed.

Based on the accelerating growth of the Queensland craft brewing industry, there is a significant opportunity for independent craft brewers to leverage the industry's reputation for its premium products and to develop a thriving ecosystem, sourcing local ingredients including barley, hops and flavourings.

Australia is world-renowned for producing high-quality 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 New South

Wales, northern and western Victoria, north to south central Tasmania, south-east and south-central South Australia and south-western Western Australia.

Barrett Burston Malt, which operates a maltings at Pinkenba, has catered to larger brewers buying grain in bulk to keep up with demand. With the dramatic growth in small brewers, they have launched a new program to provide premium barley, supplied from Queensland growers and malted and bagged in Brisbane in smaller quantities scaled to better suit the size required by local small brewers (25 kilogram bags).

Given the importance of barley to the industry, there are opportunities

'Appreciation for Queensland craft beer is growing, and winning awards at national events has a significant impact on demand for our products. After we won at the Indies, we have seen sales grow by 30 per cent on the same time last year. We're now in a position where we're looking to employ more staff to meet increasing demand for our beer – and that's not a bad situation to be in.'

Matt Wilson, Founder, Moffat Brewing Co.

to develop closer links between growers and craft brewers. Through the Department of Agriculture and Fisheries (DAF), the government provides services that enable businesses to develop and improve market supply chains. Within DAF, Agri-Science Queensland undertakes research and development to lift the productivity of Queensland's agricultural businesses.

Leveraging these existing services will strengthen the supply chains for craft brewers and offer opportunities for growers to supply different varieties of barley, as well as other flavouring ingredients, to maintain the quality and novelty of the range of beers being produced by Queensland brewers.

Establishing closer networks between agricultural suppliers and craft brewers can also assist brewers at the market end of the supply chain. Craft beer is generally a 'fresh' product that must be kept chilled or pasteurised to enable it to be transported over distances. This has been a challenge for segments of the agricultural sector, notably horticulture, and there are opportunities, through the establishment of freight and transport networks, to enable craft brewers to access cold freight infrastructure.

Action 3

Enhance supply chains for craft brewers by building regional craft brewing networks, local partnerships and relationships with the agricultural sector to mutually benefit both craft brewers and growers.





Priority 2

Improving access to markets

Consultation with industry identified that in the two years between 2015–16 and 2017–18 over half of craft brew sales occurred at a brewpub and more than 80 per cent of their sales occurred within 30 kilometres of the point of production.

Craft brewers generally produce low volumes of beer and typically reach the consumer by selling directly to them from their own premises (such as a brewpub). Given the large capital requirements and relatively low economies of scale, craft brewers are producing a wide variety of quality, premium products but at a higher cost than mass-produced beers.

As artisanal producers, the state's craft brewers are also diversifying their income streams, seeing the opportunities from offering a variety of other services and activities at their brewpubs. Some brewpubs have become new community places for locals and visitors to relax and connect within a social environment that welcomes families, children and even the family dog.

Craft breweries are expected to continue to derive the greatest share of their revenues from the local market around their brewery. This is consistent with keg sales and the assumption that a large volume of their sales is sourced from 'over the counter' sales. However, consultation found that craft brewers see a large opportunity to diversify their sales base and enter new markets.

While quality is a critical factor in gaining market access, as a 'fresh' product, the craft brewing sector faces difficulty in transporting its product to markets. There are ways to address this issue through ensuring the product remains chilled or through pasteurisation. Building on the networks to be established as part of Action 3, there is also an opportunity to assist independent craft brewers to access the 'cold chain' transport and freight options already used by other related industries (e.g. horticultural producers) to extend their market reach.

Growing external markets

Queensland craft brewers have, to date, found success by supplying directly to their customers and consumers.

A small number of craft brewers in Queensland have begun exploring lucrative international markets, including Asia, as a means of increasing sales. In keeping with the general commitment to freshness, craft beers have a limited shelf life because the product is usually non-pasteurised and must be chilled, leading to increased freight costs. This makes it difficult to access European and American markets owing to their geographical distance. Additionally, these markets tend to be highly regulated making them difficult to access.

As a relatively new business sector, craft brewers can learn from experienced exporters. In this context, building networks

with existing exporters in similar industries or through supply chain connections. The Queensland Government will work with craft brewers to help them establish these networks.

There is a range of services offered by the Queensland Government, including workshops to develop export skills and access to the Queensland Government's network of overseas trade offices which can assist independent craft brewers to develop export markets.

Action 4

Increasing export opportunities for Queensland craft beer by:

- › using the Queensland Government's trade networks to build relationships in overseas markets
- › supporting craft brewers to access export-ready programs
- › connecting export-ready Queensland craft brewers to major international trade shows and events designed to promote Australia, such as G 'Day USA and Australia Week in China.

Queensland Government procurement

The Queensland Government will support the industry through its own procurement. The Queensland Government supports many events throughout the state and these can offer an opportunity to showcase Queensland's craft brewing capability to a range of consumers.

In April 2018, the Queensland Government strengthened procurement with the introduction of new targets and commitments to the Queensland Procurement Policy (QPP). Effective from 1 June 2018, the updated QPP includes prioritising 'Buy Queensland first' for food and beverages at events and corporate functions.

Action 5

Support craft brewers to access new supply opportunities in Queensland by establishing buying arrangements that prioritise Queensland food and beverages and promoting 'Buy Queensland first' within and outside government.

Enhancing tourism opportunities

The burgeoning craft beer sector has significant potential to generate a similar tourist boom as the wine industry witnessed in the 1970s and 1980s.

‘Beer tourism’ is attractive for visitors as it provides an interesting insight into the character of the destination. Brewers are passionate about their produce and love sharing stories about their business. It also presents brewers with the opportunity to share experimental and seasonal beers with visitors. Wine tourism is already well established in Australia, and craft beer tourism has similar potential. Based on overseas examples and the experience of the wine industry, the most common perceived forms of craft beer tourism are:

- › craft brewery visitation in combination with architecture, food, wine, heritage etc.
- › craft beer trails and tours
- › craft beer and food pairings
- › tastings and open days at craft breweries
- › fairs, brewing days, food fairs and similar events.

Breweries are becoming a more integral component of regional food and produce scenes, with brewers establishing close working relationships with local farmers and producers, sourcing local fruit and other produce for seasonal beers or to serve through their brewpub kitchens.

In addition to dedicated craft beer tours, local restaurants and bars are showcasing locally produced beers.

Several craft brewers have expanded to capitalise on tourism opportunities. However, taking craft beer tourism forward is also a challenge for the sector which has the potential to deliver significant economic contribution and regional job and investment outcomes.

Craft breweries remain a particularly valuable attraction to regional Queensland. As has been the case for wine, cheese and other gourmet goods, many Queensland craft beer labels have strong ties to their place of origin. While this practice adds brand value to the beer, it also increases recognition of the place where the beer is brewed or where the ingredients are sourced.

Opportunities exist for Queensland craft brewers to participate in regional tourism. Membership of regional tourism organisations is vital for businesses including craft brewers, as it facilitates:

- › access to local industry
- › involvement in product development (for example, the creation of craft beer trails)
- › support in promoting their products as part of regional tourism experiences.

The Economic Development Australia forum hosted by Coopers Brewery in Adelaide in September 2018, highlighted the growing focus on beer tourism, acknowledging it as an increasingly viable market segment in Australia leading a new wave of tourism opportunities, much like winery tourism did in the 1970s and 1980s.

Registration with the Australian Tourism Data Warehouse allows tourism businesses to be promoted through Tourism and Events Queensland’s (TEQ) website, as well as to participate in the Best of Queensland Experiences program through which successful businesses can be prioritised across TEQ activity, including major events.

Action 6

Promote the tourism opportunities for craft brewing by:

- › encouraging craft brewers to register with regional tourism organisations and the Australian Tourism Data Warehouse
- › developing craft breweries as tourist attractions.

Case study Hemingway's Brewery

Co-owners Craig Parsell and Tony Fyfe returned from a day of fishing and wanted a place where they could go to share their fishing tales. There was nowhere to go, so they fixed the situation by building their own brewpub at the Reef Marina in Port Douglas in June 2016. They have since opened their second venue, a brewpub in a 1400 square metre heritage-listed space at the Cairns Cruise Liner Terminal in mid-2018 and plans are afoot for more venues down the track.

Hemingway's was set up as an iconic venue for locals and tourists alike, with the brewpub offering the finest craft ales complemented by gourmet food in an unmatched marine setting. Its location within the revamped marina was welcomed by other businesses with increased foot traffic to the precinct.

The concept of the brewpub with an on-site microbrewery is well suited to the Queensland climate, making the most of the outdoor lifestyle and relaxed atmosphere. Hemingway's serves as a great place to educate people about craft beer and build that appreciation in far north Queensland.



Priority 3

Appropriate regulation and planning

Well-designed regulation and planning requirements contribute to a supportive environment for businesses to invest, grow and prosper to ensure a sustainable future.

The Queensland Government acknowledges the importance of streamlining regulation to address inconsistencies in regulatory systems, to make it straightforward for businesses to establish or expand their operations.

The business operating environment in Queensland is favourable and compares well with other states and territories of Australia given the level of business confidence, the relative cost of doing business and the competitive tax and utility rates. Additionally, the government has a focus on effective development planning and project facilitation to build sustainable economic growth.

The unique character of the craft brewing sector, in particular the establishment and operation of brewpubs, presents a number of regulatory and planning challenges for the industry. The sector has identified the following areas which provide opportunity for the sector and government to work collaboratively to address including:

- › Commonwealth excise requirements
- › the introduction of the Containers for Change recycling scheme
- › development licensing arrangements

Action 7

Improve the regulatory environment for independent craft brewers by:

- › streamlining the liquor licensing application processes to more directly provide the authorisations desired by craft brewers
- › work with local government to incorporate the unique requirements of craft brewers into planning schemes.

In addition to improving the regulatory environment, it is apparent from stakeholder feedback that misunderstandings may exist in relation to regulatory requirements within the industry, for example in relation to the requirements of the newly introduced Container Deposit Legislation.

The government has a focus on effective development planning and project facilitation to build sustainable economic growth.

To address this, the strategy will also seek to raise the awareness of craft brewers of regulatory and licensing processes as well as government programs and services available to support the sector to expand.

Action 8

In partnership with the IBA and government agencies, develop a statewide series of workshops and supporting information packs and guides directed at existing and intending brewers to:

- › assist brewers to navigate liquor licensing and permit application processes
- › assist craft brewers to better understand development assessment processes and support local government authorities across Queensland to have a consistent understanding of the development requirements of craft brewers
- › assist craft brewers to meet the requirements of the container refund scheme, 'Containers for Change'
- › assist craft brewers to access existing tourism networks
- › connect craft brewers with industry development and small business programs and services.

Action 9

Make representations to the Commonwealth Government in support of Queensland craft brewers receiving further excise relief and introduce a program to assist independent craft brewers to manage their excise obligations.

Case study Revel Brewing Co.

Revel Brewing Co.'s motto is 'good people drink good beer', and with a recent win at the Beeries for best new brewery 2018, it seems the community agrees. Based in Bulimba, in Brisbane's eastern suburbs, Revel Brewing Co. is the brainchild of Jay Neven, who wanted to put Bulimba on the map as a destination for independent craft beer excellence.

Revel Brewing Co. have won gold, silver and bronze medals at the 2018 Independent Brewers Association 'Indies' awards and it seems this new(ish) kid on the block is going from strength to strength.

Co-owner and Founder, Jay Neven is proud of his team, acknowledging much of their success comes down to having the right people on board, including their head brewer, Matthew Cuthbert, who has been instrumental in the brewery, beating 124 other breweries to take out a gold medal for their Oxford pale ale. Revel pride

themselves on offering a selection of independent small-batch ales with the ingredients milled, brewed, fermented and served on site. Beers are served amongst the tanks, with a view to encourage curious drinkers to ask questions and learn about the brewing process. Neven identified an opportunity within the local market for a community-focused and family-friendly space for people to congregate to sample not only their locally produced independent craft beers, but house-made pizzas all made from scratch.



Summary of actions

Priority 1: Investing in people and infrastructure

- Action 1** Investigate establishing a ‘brewlab’ facility in Queensland by 2020, subject to a successful business case, to provide analysis services, deliver up-to-date practical and theoretical brewing skills and create an environment for brewers to develop and test new products.
-
- Action 2** The government to work with TAFE Queensland to develop a course for craft brewers in 2019, and support brewers to access appropriate upskilling opportunities.
-
- Action 3** Enhance supply chains for craft brewers by building regional craft brewing networks, local partnerships and relationships with the agricultural sector to mutually benefit both craft brewers and growers.

Priority 2: Improving access to markets

- Action 4** Increasing export opportunities for Queensland craft beer by:
- › using the Queensland Government’s trade networks to build relationships in overseas markets
 - › supporting craft brewers to access export-ready programs
 - › connecting export-ready Queensland craft brewers to major international trade shows and events designed to promote Australia, such as G’Day USA and Australia Week in China.
-
- Action 5** Support craft brewers to access new supply opportunities in Queensland by establishing buying arrangements that prioritise Queensland food and beverages and promoting ‘Buy Queensland first’ within and outside government.
-
- Action 6** Promote the tourism opportunities for craft brewing by:
- › encouraging craft brewers to register with regional tourism organisations and the Australian Tourism Data Warehouse
 - › developing craft breweries as tourist attractions.

Priority 3 Appropriate regulation and planning

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Notes

- ¹ California Labor & Workforce Development Agency. (2009). Using Multipliers to Measure Economic Impacts
- ² Research from Roy Morgan regarding the Australian Liquor Industry, published in April 2018
- ³ Global Market Insights Inc, Non-alcoholic beer market, March 2018
- ⁴ Carlton & United Breweries Media release, CUB to re-write the rules and launch its first non-alcoholic beer: Carlton Zero, 28 August 2018

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