



SPIRITS

PLATFORM

Mr Alec Wagstaff
Spirits & Cocktails Australia
Suite 1205, Level 12, 37 Bligh Street
Sydney NSW 2000

28th May 2019

RE; Proposed FSANZ reduction to Tequila ABV from 37% to 35%

Dear Alec

Further to your email 14th May regarding the proposal received from Spirits New Zealand on 6 June 2018 to lower the minimum alcohol percentage specified in the Australia New Zealand Food Standards Code (the Code) for Tequila only, from 37% to 35% alc/vol.

Spirits Platform are the exclusive distributors for Sierra Tequila in both the domestic and Duty Free markets within Australia.

Sierra is the 2nd largest Tequila trademark by volume in the Australian domestic market and enjoys a very good reputation amongst consumers as an authentic premium tequila.

Borco International GMBH, Hamburg, Germany are the owners of the International Trademark for Sierra and are **opposed** to any change in the Tequila ABV regulations as they apply to both Australia and New Zealand

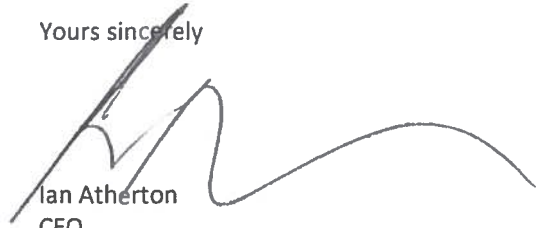
Spirits Platform supports this position for the following reasons;

- The minimum standard to be classified as a spirit in Australia is 37% this standard has been accepted by the trade and consumers as the minimum benchmark to be called a spirit. Over time this standard has been tested by inferior imitation spirits usually fortified wine based and, in some cases, clearly passing of as original spirit brands.
- The spirit industry has for many years promoted the responsible consumption of spirits (and all alcohol). This proposal would undermine this position and could potentially lead to inferior Tequila brands entering the market just at a time when most spirit producers are focused on quality and enhancing the consumer experience.
- The International standard for Sierra Tequila is 38% and Borco have no intention to alter this standard in the future.
- Tequila like many other spirit categories are enjoying increased consumer awareness and interest in the heritage of individual brands. Any initiative that potentially diminishes consumer interest in any spirit category will detract from the spirits industry as a whole.

In summary both Borco and Spirits Platform are **opposed** to any change in the Tequila ABV as it currently applies to the Code in both Australia and New Zealand.

Please feel free to reach out if you require any further clarity on the above.

Yours sincerely



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