

25 January 2024

The Hon Jim Chalmers MP
Treasurer
House of Representatives
Parliament House
CANBERRA ACT 2600



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Dear Treasurer,

2024/25 BUDGET SUBMISSION – INDEPENDENT BREWERS ASSOCIATION

The Independent Brewers Association (IBA) is the peak national industry body representing Australia's 600+ independent brewers with two-thirds of these small businesses based in regional and rural Australia.

The IBA represents 425 brewery members, primarily small producers making less than 700,000 litres annually.

The IBA is primarily member-funded by small businesses and, unlike the wine and spirits industries, does not receive funding from government of any kind. We do not have the same resources of the dominant breweries (Lion (Kirin) & CUB (Asahi)) and the dominant retailers (Coles Liquor Group & Endeavour Drinks Group) to fight for recognition of our industry or to generate the support others receive.

The contribution of independent brewers to Australian society

Our members are overwhelmingly small to medium businesses in big cities and small communities throughout Australia – they employ locals and give back to their communities.

Our members provide tourism destinations¹ and work directly with the agricultural sector through local malted barley and hops. Profits stay in Australia and are repurposed in the business to facilitate growth and continued investment.

Our industry experienced extraordinary growth and transformation in the decade leading up to 2021, thanks to the tenacity and innovation of our small businesses. In this relatively short period, the independent beer sector grew to almost 8% of the total Australian beer market (by volume) while overall the beer market declined by 1.7% in FY2020.

¹ We note that 'food and drink' is a core pillar of Tourism Australia's work with a recent \$12B investment to keep tourism venues supported post covid.

In FY2020, independent breweries invested \$263m in building capability, with an average of 72% or \$189m, spent on production. Independent breweries strengthen Australia’s manufacturing capability and rely heavily on agricultural inputs. This demonstrates the ongoing willingness of small brewery business owners to invest in backing themselves and our industry.

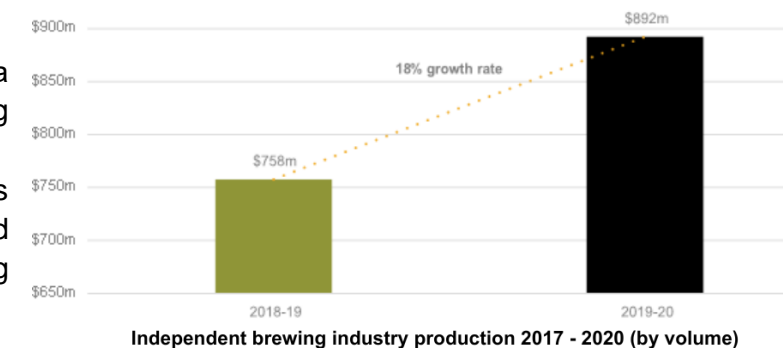
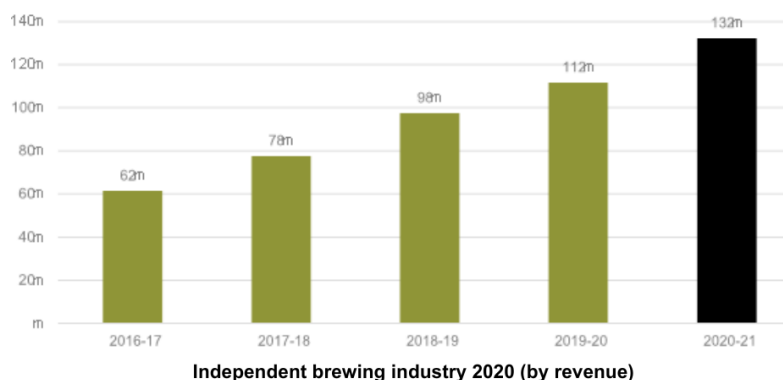
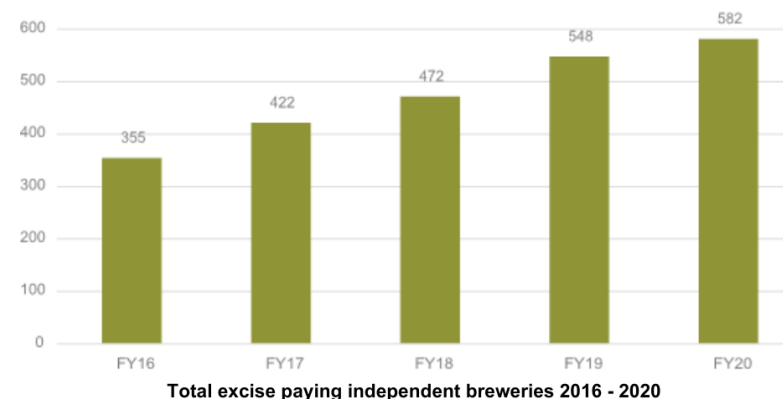
In 2021, an economic impact analysis undertaken by KPMG confirmed that the independent brewing industry² contributes:

- Approximately \$1.93 billion annually to the national economy; and
- Much needed employment opportunities in regional and rural Australia. We employ 35,000 Australians, 10,000 directly and over 25,000 indirectly in the agricultural, manufacturing, distribution and hospitality industries.

Small independent craft breweries employ 51% of the whole brewing industry.

Quite apart from the direct economic impact, the independent brewing industry has also contributed to the betterment of Australian society in several ways:

- The “craft beer revolution” has been credited with providing a greater variety of beverage styles to support consumer choice.
- It is rise of independent craft beer (as a premium, higher priced, artisanal product) that has changed consumer behaviour towards choosing to consume lower amounts of a higher quality product. These changes are precisely what is advocated for by health bodies in terms of alcohol moderation or reduction.
- “Beer moderation has been a key contributor to Australia’s reduction in per capita alcohol consumption over the past half-century”.³ Independent breweries are leading the way on the production of no and low alcohol beers.
- At a time when society is increasingly disconnected, our taprooms and brewpubs serve as the place where people can come together over a meal and a hand-crafted beer to discuss ideas, converse about society and feel connected⁴ - without being surrounded with gambling.



² Throughout this submission Independent Beer/Brewing includes all breweries in Australia except those that are foreign owned by CUB (Asahi) and Lion (Kirin), and family-owned Coopers Brewery.

³ Anderson K. The emergence of lower-alcohol beverages: The case of beer. *Journal of Wine Economics*. 2023;18(1):66-86. [doi:10.1017/jwe.2023.8](https://doi.org/10.1017/jwe.2023.8)

⁴ We note that in addressing mental health and wellbeing an increasing body of research evidence shows that building stronger broad social connects corresponds to stronger mental well-being. “Connect for mental wellbeing” [Livingwell.org.au](https://livingwell.org.au).

Compounding challenges have led to the current environment for the independent brewing sector

The environment for independent brewing is dire. 2023 saw small breweries closing at an alarming rate and several larger breweries go into administration. The start to 2024 is no different. These restructures resulted in dramatic job losses and massive losses for supply chain suppliers and creditors - of which the Australian Tax Office is often the largest.

Our recent member survey indicated severe issues for our industry, with 91% of respondents saying they have been somewhat, highly or extremely impacted by the current economic environment and 66% of respondents stated that their business may not survive the economic downturn.⁵

Although COVID-19 was a challenging time for brewers, the industry managed to pivot and survive thanks to the increase in the excise remission to \$350k and the government incentives offered to all businesses throughout the pandemic.

After two years of reduced business, the industry was looking forward to a strong recovery, only to be hit by massive increases in costs for Co2 (up by as much as 51%), raw material costs (up by 37%), packaging and freight as well as supply chain issues and staff shortages.

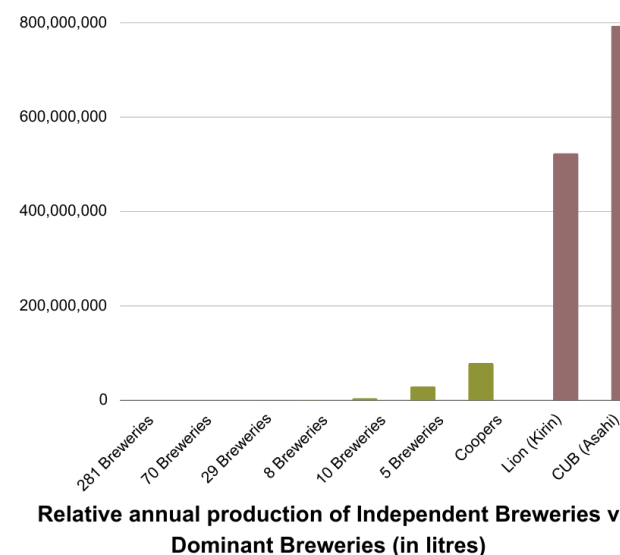
Many breweries used all cash reserves and took out COVID loans, so are also impacted by interest rate rises and many are still carrying a tax debt because of being able to defer payments during the pandemic.

Consumer confidence has been eroded by interest rate rises and other cost of living pressures, drastically reducing expenditure on independent craft beer as it is a 'premium product'.

There is no single cause of the challenges facing independent brewing – rather, it is a layering of decades of structural challenges in the brewing industry, together with broader economic issues and increasing regulatory burdens – that, taken together, mean independent brewing in Australia is under significant threat.

In considering the challenges set out below, along with the proposed responses, it is essential to have a true understanding of the scale of the independent brewing business we are talking about. Most independent breweries produce such a small volume that – they don't appear on a bar chart due to the massive scale of production of the large foreign-owned breweries!

Around 281 Independent Brewery members produce less than 100,000L per year. To put that in context, Coopers Brewing which represents only 5% of the market reported production levels of 79.4M litres in FY2022.



⁵ IBA Member Survey, May 2023.

Market structure that lessens competition

The brewing industry in Australia is dominated by two entities that have retained their position as ranking industry leaders for many decades and used their power to make competition extremely challenging. Our 8% market share has been hard-earned.

This structural situation prevents genuine competition by severely limiting market access for small producers in the on-premise (taps) and retail (packaged) routes to market. The market structure in the Australian beer industry has come under recent consideration by the House of Representatives, Standing Committee on Economics, Inquiry into promoting dynamism, competition, and business formation. Broadly, the dominant breweries CUB (Asahi) and Lion (Kirin) have been able to use their market power to:

- Instigate tap contracts (including rebates and cash incentives) to lock at least 85% of beer taps in the country - limiting distribution channels available to independent brewers and consumer choice.
- Reduce competition by acquiring any independent breweries that are in a significant growth phase.
- Negotiate key inputs at reduced rates.
- Negotiate preferential treatment with the dominant retailers.
- Grow economies of scale to reduce the cost of goods by employing the above tactics – thus benefiting from far superior margins with the majority of profits moving out of Australia.

Over the years the Australian beer market has been described as ‘one of the most profitable beer markets globally.’⁶ With the majority of that profit being used to grow Japanese companies. This is due to the economies of scale afforded, in part, by an untouchable ranking position.

Similarly, the most significant change in the Australian beer market over the past five years has been the rise of home-brand/pseudo-craft beers offered by the major retailers. Woolworths (Endeavour Group) and Coles. While those retailers will use the semantics of their corporate structures to challenge the impact of any accusation of dominance – Woolworths and Coles now own 5% of the beer produced in Australia. This is a similar market share to Coopers Brewery – which a 161-year-old family business.

The benefits that can be realised as a market-dominant brewery or a dominant retailer mean that they can weather many of the challenges the broader industry faces with limited consequences. It is clear that a structural change is required and that only the Government can achieve that.

Increasing Cost of Goods

⁶ Budweiser Brewing Company Global Offering on the Hong Kong Stock Exchange, 5 July 2019 at p89.

The cost of goods to produce beer have continued to increase at a rapid rate. It is estimated,⁷ that CUB (Asahi) and Lion (Kirin) produce beer at almost 40% less cost of goods than small independent breweries.

In the illustrative example below, between 2018 and 2023, the overall cost to the brewery of producing an IPA increased by 23.33 percent – almost a quarter, while the recommended retail price for the beer rose by just 11.25 percent. In other words, the cost of making a carton of IPA has gone up by twice as much as the cost to the consumer. Moreover, the vast majority of that 23.33 percent rise has occurred since 2020, with the most-steep increase between 2022 and 2023.

The cost of hops rose by almost 50 percent between 2020 and 2022, and the cost of malt by nearly one-fifth from 2022 – the latter impacted by the war in Ukraine. The cost of utilities almost doubled in the past year, while other inputs – chilled storage and delivery costs, for example – have also been rising rapidly.

(The Crafty Pint – a carton of Hawkers Brewing Co West Coast IPA 2018 – 2023)



⁷ Based on industry knowledge.

In an industry in which margins have always been tight, this is an unsustainable position, and it has sharpened focus on key obstacles the industry has been trying, often unsuccessfully, to overcome since the craft beer revolution first took hold.

The only thing inflation and rising costs are doing is accentuating or amplifying inherent problems that existed in our industry.

Unequal taxation and excise is making small breweries unviable

Excise accounts for around 45% of the 'cost' to a brewery to produce an IPA. The IBA is supportive of taxation as a tool for Government to support harm minimisation and raise revenue but our expectation is that this is done in a way that is fair and does not negatively impact small brewery producers more than any other alcohol producer.

Small breweries have very tight margins and large (foreign) breweries can maintain consumer pricing if they chose to absorb the excise into their significant margins.

At the same time, the current excise framework ensures the unequal treatment of the producers of different types of alcoholic beverages. As a result of the Wine Equalisation Tax (WET), wine is taxed on its wholesale value rather than its ABV like beer and spirits, so the cheaper the wine, the lower the tax price. If one of the objectives of excise is to act as a lever for Government in harm minimisation then its current unfair structure is playing out precisely as expected. Wine continues to be the largest contributor to apparent consumption of pure alcohol in Australia and the largest difference in consumption has been a 10% increase in the apparent consumption of spirits is at its highest since 2007-2008.⁸

Since the early 1980s, the retail wine price index has fallen by more than one-third relative to the overall consumer price index, while the beer and spirits price indexes have increased by about half.

In real terms, this means that **beer drinkers pay double the tax per standard drink compared to bottled wine and eight times the tax rate per standard drink of cask wine**⁹. As Dr Tim Cooper said in his evidence before the Standing Committee on Economics, "Given the contribution that both industries make to the economy, we cannot understand the basis for this distinction".¹⁰

Beer has led the way in providing no and low-alcohol beer options to consumers – and adopted these options much earlier than wine and spirits.¹¹ With one of the largest mid-strength (3.5% ABV) markets in the world – beer represents the adult beverage of moderation.

Yet ever-increasing excise rates coupled with an unequal alcohol tax regime means that small brewing businesses will close and the cost of a pint made by an Australian small business will be out of reach for many Australian consumers. And, the policy objective of harm minimisation will be unrealised. This represents a poor outcome for all Australians.

⁸ Australian Institute of Health and Welfare (2023) [Apparent consumption of alcohol in Australia](#), AIHW, Australian Government, accessed 24 January 2024.

⁹ Dr Tim Cooper, Hansard, House of Representatives, Standing Committee on Economics, Inquiry into promoting dynamism, competition and business formation, 25 July 2023 p30.

¹⁰ Hansard, House of Representatives, Standing Committee on Economics, Inquiry into promoting dynamism, competition and business formation, 25 July 2023 p31.

¹¹ Anderson K. The emergence of lower-alcohol beverages: The case of beer. *Journal of Wine Economics*. 2023;18(1):66-86. [doi:10.1017/jwe.2023.8](https://doi.org/10.1017/jwe.2023.8)

Increasing Regulatory Requirements

Alcohol is a highly regulated product and independent brewers take our responsibility as producers seriously. Excessive, and ever-increasing, regulation makes it impossible for small brewing businesses to focus on the productive tasks associated with growing a successful small business.

Apart from all the obligations affecting all small businesses (GST, payroll etc) there is an ever-increasing range of complex regulatory tasks for small breweries. Regulation disproportionately affects small breweries as larger businesses have more resources to meet their compliance obligations. Time and time again, this significant distinction is ignored by parties working in implementing new regulatory frameworks. We provide two substantive and ongoing examples.

Small independent brewers are the most impacted alcohol stakeholders by labelling regulation and fragmented state-based container deposit schemes because we produce more new products yearly than any other food and beverage manufacturer. Between 1 July 2022 and 30 June 2023, breweries released an estimated 3,443 packaged beers to market.¹² That equates to an astounding 66 new products to market each week – many in very small volumes. We do not know of any other food or beverage category that releases as many new products to market. By contrast wine predominately has a single vintage each year, and spirits produces a high volume of items under limited SKUs.

Notwithstanding this uniqueness and constant and repeated representations by the Independent Brewers Association and our members – we have yet to see a substantive carve out that reflects the reality of the businesses our members are in. Through multiple ongoing food labelling consultations there has been no appetite to consider options other than an on-label solution or a carve out for small batch production.

The effect of this is that for many of our small brewery members (who produce less than 100,000L per year) and then package that beer in very small batches is real. By way of example, if a Nutrition Information Panel or similar is required on packaged beer it will mean that due to the requirement for testing after the product is finished – and then the need for labels to be printed – the time beer must remain ‘in tank’ will increase by around 2 weeks. Quite apart from other implications of this around product quality - for some breweries this means they can produce half the amount of beer each year. Our members have told us that it would make their businesses unviable to lose that much volume. The IBA has provided real world alternatives that meet the policy objectives and also mitigate the issue we noted above. But these suggestions have been brushed aside through consultations. At a recent meeting with FSANZ, we were told, ‘there is no appetite for that’.

The proposed labelling regulations will be one of the reasons small independent brewing businesses close.

Similarly, the container deposit regulations have a significant cost to breweries. While our members support sustainability practices and product stewardship – beer is again disproportionately impacted as compared to other alcohol products with no recognition of this in the schemes’ structure. Beer pays 10-13c on every can or bottle in a six-pack. In contrast, wine and spirits pay 10c per product that can be sold to consumers at a substantially higher price. And are only included in the scheme in Queensland. As shown above 6.19% of the cost of a carton is attributable to

¹² Data extrapolated based on Brews News New Beer releases during the time period - average beers per brewery and number of physical breweries (excluding brands) compared with an extrapolation of data from Coles Liquor Group.

Container Deposit Scheme Costs. The other significant cost to small producers is the administrative burden of non-unified state-based schemes and payment burdens associated with schemes of 14 days – which drastically affects cash flow for small businesses.

While arguments may be made that this is a state-by-state issue – Australia’s packaging targets will not be met if a disjointed system and full harmonisation are not addressed with significantly more urgency than it is being given now. Equally, we feel there is a role for the Federal Government to play as a leader in creating an environment that enables businesses to grow and that is made even more complex by this disparate system.

With an unequal taxation regime that makes wine and spirits cheaper, and a CDS and labelling regulation that are more expensive to implement for small independent brewing – its easy to see how the laddering effect of regulatory burden is quite literally killing innovative small businesses.

Let us paint you a picture of a successful industry...

Beer will survive the current headwinds. The question for Government is what beer industry does it want to see in the future?

We have a vision of ‘quality independent beer everywhere’. The Independent Brewers Association, our members and supply chain partners are absolutely committed to doing whatever we can for the industry to reach that vision.

We know that the quality and innovative beer styles our members produce, the family-friendly (pokie free!) environments our members create, and the relationships breweries have with their local community and agricultural suppliers, are what Australians want.

According to demographer, Bernard Salt AM,¹³ the independent brewing industry is poised to continue to be a success and is important to Australian society because:

- Australia’s consumer market will continue to rise in the future.
- Independent breweries create local jobs which build skills and assets in the regions throughout Australia.
- New generations and societal behaviours are evolving where societally conscious consumers seek locally produced, sustainable products that make a societal contribution. Consumers of the future are interested in more than just taste and is a market that is more diverse than homogeneous.

With government backing by implementing the common-sense proposals outlined throughout, we know that independent small breweries across Australia can survive the current situation and add value to the Australian economy and society into the future.

¹³ Bernard Salt AM, “Outlook for the 2020s: Brewing as an integral part of rebuilding a better Australia.” Presentation at BrewCon, 22 August 2023.

If the government does not act now on common sense reforms independent brewing businesses will continue to close and the cost of a pint, made by a local Australian brewery, will be out of reach for many Australian consumers.

The benefits of the independent brewing industry to Australian society and consumers will only be realised if the Federal Government acts now. If government does not implement some of the common-sense proposals outlined in this document the results are entirely foreseeable – independent breweries throughout the country will continue to close at an alarming rate resulting in:

- Removal of employment and 'community hubs' from regions,
- Providing a continued advantage to market-dominant, foreign-owned breweries who see themselves as above consumer market pressures and who take their profits off-shore.
- Growing the advantage of other alcohol industries which accounts for the most pure alcohol in Australia, and at its cheapest prices.
- Less consumer choice.

As an industry representative body, we are doing all we can to try and alleviate these issues and to reduce the impact. However, as we've noted the primary issues are structural and economic and it is only the Federal Government that can act to make the change. As an organisation that solely derives its income from membership fees there is only so much support we can provide and unless urgent action is taken to help these businesses survive, we stand to lose the market share that we and our artisan brewing manufacturers have worked so hard to achieve.

We believe that by working together the IBA and the Federal Government can benefit by the introduction of small measures that will save jobs, ensure continued taxation revenue and support healthy competition in Australia.

To achieve this, we propose the following short, medium and longer term, easily implementable actions.

Proposal ONE

Federal support to secure the future of our Australian independent beer industry

- a) Provide funding for a study to investigate the feasibility and potential structure for the creation of Beer Australia in line with the role and remit of Wine Australia.
- b) Provide funding to the IBA to develop new market programs, resources, industry development and sustainability activities to stem the threat to our future so that we can continue to help alleviate the current pressures for members.

Reason for supporting this proposal:

The Federal Government have rightly supported the development and evolution of Wine Australia for decades and the beer industry provides a significant opportunity for the nation's economy, not too dissimilar to where wine sat in the 1990's.

In developing Beer Australia the opportunities for the Federal Government include:

- a) Being able to work with the whole of the beer industry.
- b) Increase in yield and benefits for our agriculture sector reducing the amount of ingredients imported currently at over 50%.
- c) Workforce development.
- d) Innovation in manufacturing. Many independent craft breweries are small to medium artisan businesses and are well known for being able to not only adapt but to lead innovation particularly when it comes to technology.
- e) Added value to tourism visitor experiences – because of the challenges with access to market brewery developments often deliver added benefit via the revitalisation of unused buildings, by offering skilled employment opportunities (particularly in rural and regional locations) and in many instances, create destinations.

Ultimately, a home in Government for beer would provide the opportunity to more effectively see, and address, the layering impacts of ongoing regulation to ensure productivity of the industry over the long term. It will ensure that all the benefits of a thriving Australian beer industry are harnessed – including the opportunity for export which is a new and emerging market for independent craft beer.

Proposal TWO

Freeze indexation of alcohol excise for a period of 2 years

We propose that a hold on excise indexation be implemented for two years - during this time of rampant inflation to help our industry survive.

Reason for supporting this proposal:

Australia has the third highest tax rate on beer manufacturing in the world. While we understand that we are a nation that cares for the health and wellbeing of its citizens, beer is the adult beverage of moderation – and as outlined above, our small manufacturers are not the key contributor to alcohol related harm in Australia. On the contrary – they have been a key force in driving a culture of moderation.

The CPI rate, which determines the indexation of alcohol excise, is directly correlated with inflation, with excise rates increasing every six months.

In 2023, the rate increased by over 11% which was a massive blow to the cost of manufacturing for breweries when they are experiencing significant increases in raw materials, freight, packaging, and wages.

The impact of inflation and the rise in cost of materials is now impacting consumers with most needing to reduce their expenditure on non-essential purchases, which has led to an estimated reduction in craft beer sales of around 25%.

In addition, independent breweries cannot increase prices to offset cost increases as inflationary pressures push consumers to purchase cheaper beer from foreign multinational breweries (with over 85% of Australian beer by volume being made by Japanese owned Kirin and Asahi).

The pace of increase in alcohol excise cannot continue to be borne by independent Australian breweries – the only outcome that will occur is that more independent breweries will close.

We note that in November 2023, the United Kingdom Parliament announced a freeze on alcohol duty for many of the same reasons cited above so there is a model that can be easily replicated in this country.

Proposal THREE

Index the excise remission in line with excise rates

The excise remission cap of \$350,000 that was introduced in July 2021, should be indexed in line with inflation on an annual basis.

Reason for supporting this proposal:

There is no denying the effectiveness of the remission scheme in terms of jobs and investment. But for the remission to have the same effect today as was intended when it was introduced in July 2021, it would need to have increased in line with CPI.

Excise rates on alcohol are indexed in line with CPI – increasing every six months. However, the excise remission remains capped at \$350k per annum.

Excise has increased by 11.65% since July 2021, so the maximum claimable remission would now need to be \$390,775 per annum to have the same positive impact on industry and employment.

If the remission is not indexed in line with CPI, its effectiveness is reduced over time. It is a revenue-neutral position for the Government, as increases in excise rates and collections offset gains in remissions.

Proposal FOUR

Offer an extension/allow for flexibility for pay back terms for those independent breweries carrying an excise debt as a result of deferrals during the pandemic.

Direct the ATO to provide longer periods of time to payback excise debts that were deferred during covid.

Reason for supporting this proposal:

We are not trying to avoid any existing tax obligations. The current economic environment means it is impossible for many breweries to meet their current obligations let alone the payback requirements of excise debts that were deferred during covid.

The recent voluntary administration (VA) of several larger independent breweries has had the ATO as one of the largest creditors – and ultimately receiving substantially less than the total amount due because of a DOCA process than if the debt repayment terms had been substantially extended.

While we appreciate that not all independent breweries will be viable going concerns regardless of the position of the ATO – in our view it would be more palatable to the Australian taxpayer to have those debts paid over a longer term rather than receiving as little as ten cents in the dollar on a large volume of outstanding debt.

Proposal FIVE

Support regional brewing businesses by adding brewery technician to the national skilled occupation program.

The role of brewery technician could be added to the national skilled occupation program.

Reason for supporting this proposal:

Over the past decade the rapid growth of the craft beer industry has led to a significant skill shortage of brewers and to a lesser degree, experienced production managers. To address that shortage the IBA has facilitated and supported a number of grants and programs to ensure training opportunities are available and so there are skilled and qualified teachers. This includes IBA and volunteers actually writing course material, facilitating partnerships and alternate ways of upskilling other brewery employees, assisting TAFE and private RTO's to prove demand and applying or supporting grants to establish courses across the nation.

We also regularly support our members in their applications to bring in brewers from overseas, however this is a complex and often expensive exercise for a small business to navigate.

This work has yielded positive results however in many circumstances there are waiting lists for these courses and while graduates are often employed, it will take many years to meet current industry needs and does not address the need for experienced senior or head brewers that often require many years of experience and additional qualifications eg. human resource management.

Making this process more streamlined and affordable for a business will allow the industry to continue to support the training and development of Australians.

As the industry works through challenging times – we know we are losing talent to higher paying manufacturing industries and find senior roles in regions difficult to recruit from local talent. We want to ensure that businesses that would otherwise be viable have the opportunity to succeed with the calibre of talent necessary to grow the business and support the development of junior employees.

Bringing in expertise from overseas provides the opportunity for new techniques and innovation therefore adding to the overall quality from a manufacturing perspective.

Proposal SIX

Support small brewing businesses to convert to more sustainable sources of energy.

The Federal Government could fund the IBA to undertake a program to aggregate the power needs of independent breweries so as to enable multiple businesses to work together to directly source renewable energy at prices far lower than stand alone agreements.

Reason for supporting this proposal:

The Federal Government has a commitment for Australia to achieve a 43% reduction in emissions by 2030. Brewing beer is an energy intensive exercise and the industry has not only faced a shortage of Co2 but in some cases a massive cost increase of up to 50% on energy overall.

As an industry sector who continually reaffirms our commitment to reducing greenhouse emissions and focuses on sustainability as a core to doing business, it is important to find cost effective alternate energy solutions. The IBA has provided several sustainability tools and support to members and independent breweries have already navigated their way to carbon neutrality however there is much more that needs to be done.

The Australian Hotels Association has already successfully undertaken pilot programs around aggregated renewable energy power purchase agreements resulting in significantly increased renewable sources and direct benefits to small businesses that can reinvest in their business. The IBA aims to emulate this model for our energy intensive industry but does not have sufficient resources to manage a program of that scale.

As a result of this most challenging economic climate, we are seeking urgent assistance from the Federal Government so that we can realise our full potential and ultimately deliver an improved and ongoing economic contribution to the Australian economy.

If you would like to discuss any aspect of this submission in more detail, please do not hesitate to contact me, I am available at any time on 0490 818 717 or at Kylie.Lethbridge@iba.org.au

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Kylie Lethbridge', with a horizontal line extending to the right.

KYLIE LETHBRIDGE

Chief Executive Officer