Executive Summary

In our previous communications with you we outlined the four major changes that the Board is proposing. Here we would like to show how the changes to the constitution reflect these.

1) That we re-define membership eligibility based on the concept of independent ownership without relying on an arbitrary definition of “craft beer”.

To achieve this goal the definition of Australian Craft Brewer has been deleted and a number of Definitions have been altered or introduced in rule 1.2 of the Constitution. In particular the definitions of interest are Brewer Category, Contract Brewer, Independent Brewer, Material Ownership, Ownership Interest, Production Brewer, Restricted Entity and Undertaking.

We understand that these elements are constructed in a legalistic manner. In practice what they combine to do is give us a definition of membership that says:

To be a member of the Association a business must:

a) hold an excise licence (production brewer) or appropriate state licence to sell alcohol (contract brewer)

b) sell less than 40 million litres of beer per annum under any labels it controls

c) be no more than 20% owned:

   (i) by a brewer that produces more than 40 million litres of beer per annum anywhere in the world; or

   (ii) by a company that owns more than 20% of a brewer, that itself produces more than 40 million litres of beer per annum anywhere in the world

2) That we reflect this change by amending the association’s name to the Independent Brewers Association.

The definition of Company will be altered in the constitution and the name change will be part of the resolution presented at the EGM

3) That all category descriptions (nano/pub, microbrewery, regional and national) be removed. While membership fees will still follow a rising scale, full members will be classed as either a Production Brewer or a Contract Brewer.

To achieve this goal the definitions for Brewer Category, Contract Brewer and Production Brewer have been altered in rule 1.2 of the proposed constitution.
4) That the structure of the CBIA Board be amended to support these changes. Currently, the Board consists of 7 directors – one drawn from each membership category and two additional Directors drawn from the membership more broadly. The proposal moving forward is for 5 directors to be elected by members from the membership base (4 Production Brewers and 1 (max) Contract Brewer) with the Board able to appoint the remaining 2 directors. This will ensure the Board can recruit candidates who can contribute specialist knowledge to support the Association’s strategic plans from time to time, for example legal affairs, governance, marketing or commercial development.

The re-numbered rule 11 (rule 10 in the last version of the Constitution) has been re-worked to allow us to implement these changes.

The changes to rule 11.2 sets the directly elected number of directors at 5.

Rule 11.3 retains the limit of one (1) Contract Brewer representative on the Board at any one time.

The rule dealing with the Limited right of re-election (rule 11.6) has been removed. This had been introduced due to concerns about being able to find Qualified Persons for each Brewer Category. This will no longer be an issue under the new constitution.

Rule 11.8 allows for the appointment of up to two (2) additional directors to bring specialist knowledge to the Board. These directors will be appointed by the Board and will hold office until the AGM following the first anniversary of their appointment.

Under rule 11.9 if the Board agrees that a Director appointed under rule 11.8 or rule 11.9 can continue to make a meaningful contribution then the Director can seek re-election by the membership for an additional one year term.

The rule dealing with the Change of director designation (rule 11.15) has been removed. This will no longer be an issue under the new constitution.

Other changes

Along with the changes to required to enact the proposed changes above we have also been advised by our lawyers that a number of other areas of the Constitution could have their drafting improved. There are various minor alterations throughout the document but the most significant can be found at:

Rule 4.1 where we have updated it to reflect our current mission statement and goals.

Rule 7 where we have further clarified the process for cessation of membership. It is important to note here that the period for automatic termination of
membership due to the non payment of the Annual Membership Fee has been reduced from six (6) months to three (3).