

Address to the Liquor Merchants Association of Australia
Crown Promenade
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Good morning and welcome.

It is an absolute pleasure to address you this morning.

And from the outset, I want to acknowledge why we are here today - Carlton and United Breweries.

I stand here today representing the entrepreneurship of almost 150 years of businessmen, brewers, sales teams - and even Clydesdales – that built this company.

And I stand on the shoulders of the giants that have come before.

Including one Edward Latham, who in 1865 brought a run-down little brewery in Bouverie (pr. Booverly) Street Carlton at a Sheriff's auction.

Latham hired a gentleman by the name of Alfred Terry, considered one of the few master brewers in the colonies at the time.

Together they began an enterprise that would change brewing in Australia.

Some of Terry's methods, such as dry-hopping, to achieve distinctive local flavours, are still used today. As are the beloved icons of the Carlton Brewery – the Clydesdale team.

Then something very important occurred.

Something that I believe still defines our business today.

With the initiative of Foster's Brewing Company Director, Montague Cohen - Carlton and five other breweries, united in 1907 to form Carlton and United Breweries.

The Carlton, McCracken, Victoria, Shamrock, Foster's, and Castlemaine breweries came together under one united banner.

And soon German born Emil Resch became the first General Manager of CUB.

Among these giants of the past was another influential character...

Auguste de Bavay, a master brewer and chemist, with close ties to the work being done by Louis Pasteur.

It was de Bavay who developed the unique Australian yeast strain, together with the Foster brothers, that led to Australia's love of lager-style beer, rather than traditional ales.

De Bavay's influence was far reaching, as his knowledge as a bacteriologist led to a cleaner and healthier water supply in Melbourne.

And of course...the cleaner the water, the better the beer and that beer was VB.

The now famous "Pride of Ringwood" hops were also developed exclusively and grown locally by CUB.

Over the next century – through Australia's trials and tribulations, through further acquisitions and expansions, through two world wars and a number of regional conflicts – CUB has woven itself into the Australian fabric.

CUB's beer, and now ciders and spirits, have been bringing together Australians around BBQs, bars and events – since the 1850s.

The uniting vision that brought together six competing breweries into one united group underpins the company we are becoming today.

It also brought me back to Australia.

Back to a role, a company and brands that I had admired – as a young navy officer, as a drinks industry manager and – most recently - as an industry competitor.

I've been in the drinks industry here and overseas for over 20 years.

I've seen the changes in the UK, Asian and Australian markets – experienced the tectonic shifts of consumer change, political and regulatory impacts and been part of the launch and stewardship of some of the world's great drinks brands.

I've watched this company and this great industry adapt, develop and grow – taking on the many challenges before it and building great brands and stories in the process.

What I see in the CUB of today is the best of that heritage – still firmly intact.

We are No.1 in regular, international and domestic premium, low carb, light beer and cider. These are hard won positions.

We produce the best beers in the country – from great brewers in world class breweries.

And every day, more Australians choose our beer brands than any other – a legacy and a responsibility that we take very seriously.

However I also see some of the growing pains of a business that was built over 150 years on relationships, brands and breweries – adapting to the markets of today.

Looking back, we were the first brewer to have the foresight to develop national brands and have been Australia's leading brewer since.

Today new entrants come into the market, consumers seek greater variety, competitors up the ante and it takes a different game plan.

While our share has been pretty stable for the last 11 months, our national share has reduced slightly over the last 5 years. While some of that is simply changing market dynamics – the trend is ours to remedy.

Those customer relationships we built over the decades are also coming under greater pressure.

As I travel round the trade, it is clear to me that we can do better on understanding and meeting customer needs.

A big part of that is shaking the expectations of being No.1 and building a culture that is more entrepreneurial, curious, audacious and empowering.

It is about placing beer back at the centre of everything we do and re-investing in the brands, breweries and relationships on which this great business was built.

Not only is that what our customers want, it is what our own people want.

What is also apparent from a returning expat's view is a change in community attitudes to alcohol.

Since rum became the first currency of this new colony, alcohol has had a central and sometimes troubled place at the core of our community.

I am a firm believer in our shared responsibility to ensure alcohol is a positive part of our drinkers' lives.

I was a proud instigator and founding Chairman of Drinkwise in my previous Australian role.

And I can already see a fundamental and sustained shift that has occurred in industry behaviour – since the action on alcohol agenda and creation of Drinkwise in 2004.

There are arguably many reasons for this.

Primary amongst those is a group of established, health researchers and advocates who bring very successful campaign techniques developed through careers in public health advocacy.

Their motivation is clear and proper - to reduce alcohol-related harm.

They are unlikely to promote the positive aspects of responsible alcohol consumption and nor do I believe they should.

As producers and marketers – that is our obligation.

From where I sit, there is a burning platform for us – as producers, wholesalers and sellers – to act.

I spoke earlier about CUB's heritage of uniting Australians and I am willing to commit our organisation to play a key role in uniting our industry.

It is important that we pursue our individual programs to encourage responsible service, promotion and consumption of alcohol.

There is so much great work occurring across the country that didn't exist five years ago that we should be proud.

But we need to further engage as an industry to model, promote and encourage responsible consumption – at every occasion and amongst every group.

And we need to be more open, more consultative and more united in our efforts to assist those who experience associated harms.

An interest that should unite us with public health advocates.

We have an obligation as producers to ensure that we contribute to the prevention of misuse and treatment of those at risk, or experiencing harm.

For make no mistake, we are being judged as an industry on the sincerity of our efforts.

Those looking for a quick fix to these issues are in the wrong game.

What is required is a sustained and transparent effort on our behalf to engage our consumers and the community and meet the challenges as a united and responsible industry.

And to do so day in, day out.

I'd like now to return to the other side of our shared responsibility – and that is to produce, market and sell great drinks.

It is to enrich our consumers' lives, entertain and delight and bring people together – around a shared beer, cider or spirit.

I'm proud to say that as an industry and as CUB, we've been doing a great job of that for centuries.

While I've managed a 250-year-old European brand and 500-year-old Asian brands for almost two decades, there is something special – and humbling – about taking the helm of CUB.

These brands are my own heritage and I feel a duty to leave them better than I found them.

And - having competed against them for many years in this market – I am aware of their unique place with consumers.

On the shoulders of the CUB giants that came before, we are building the next phase of growth for this great Australian business.

We saw the rise of craft brewing in the 80s and 90s and in adding Cascade and Matilda Bay to the fold, we became leaders in the category.

We saw an opportunity to re-invigorate the regular beer category, and, with the launch of Pure Blonde, we kicked off the phenomenon which is low carb.

We have met the growing taste for international beers – recently re-signing with Grupo Modelo. After 22 years together, we've built the Corona brand into Australia's clear import favourite.

And, through all this, our heritage favourites such as VB, Carlton and Crown have continued to deliver – adding new members to the family along the way.

While I'm only a month into the new job here at CUB – I'm already looking toward the opportunities.

The beer category has never been more exciting.

New entrants, diverse imports, the rise of craft brewers, private labels and innovation have enriched beer consumer choice.

CUB demands a major share of all categories and I believe there is real scope for us to build on our ambient share.

We'll do this by playing to our strengths.

That is entrenching our brands at the heart of great times and great experiences.

It is bringing out the best in our industry relationships – being the partner of choice.

And it is about recognising the equity in our community engagement, our reputation and our workforce of over 3,000 people in Australia and the Pacific.

At CUB, we are great Australian success story, with a proud heritage and a future in our own hands.

We've got some maintenance to do, some potential to unlock but we start from a position of strength.

I for one can't wait to get on with it.

It has been a pleasure to speak to you this morning and may I congratulate the Liquor Merchants Association for continuing to play an important coordinative role for our sector.

CUB has been uniting Australians since the 1850s and I sincerely hope that while we'll all remain the most aggressive of market competitors – we can continue to work together on the collective issues and challenges we face.

I'm happy to take some questions from the floor.