

Submission: APISWA's response to FSANZ Proposal P1059 – Energy Labelling on Alcoholic Beverages

The Asia Pacific International Spirits and Wines Alliance (APISWA) represents 11 global spirits and wine producers operating across the Asia-Pacific region, with member companies comprising of Bacardi, Beam Suntory, Brown-Forman, Campari, Diageo, Edrington, Moët Hennessy, Pernod Ricard, Proximo, Remy Cointreau and William Grant & Sons. Australia and New Zealand markets combined are significant to the wines and spirits industry, with over \$3.3bn in excise and wine equalisation taxes paid by spirits and wines businesses in Australia per annum. In 2019, there were 9.1m visitors to wineries in Australia, and the total economic contribution of the spirits industry in Australia was \$11.6 billion in total value-add and 104,500 jobs in 2018-19.

APISWA appreciates the opportunity given to comment on the FSANZ Proposal P1059. The Alliance is focused on protecting the interests and safety of consumers, and on ensuring that alcohol is enjoyed in moderation, in ways that are appropriate to the local context and in line with international best practice.

With regards to Proposal P1059, APISWA is not opposed to the suggested requirement for alcohol producers to provide consumers with information on the energy content of their products, as we are supportive of consumers making responsible and informed choices regarding their nutritional needs, including consumption of alcoholic beverages.

In light of that, APISWA member companies would like to ensure that, if alcohol beverages are to be labelled as proposed by the FSANZ, that the format and content of energy labels is meaningful and, importantly, does not undermine messaging that promotes responsible drinking, or cause confusion for consumers about the alcohol content and number of standard drinks within a container.

We are, however, concerned about some of the provisions made out in the P1059 proposal on energy labelling of alcoholic beverages, which would likely create confusion for consumers of alcoholic beverages, as well as administrative burdens on producers and importers, partly due to proposed format and partly due to the duplication of some information, summarised below:

- 1) **The proposed requirement to provide energy content in terms of 100ml measurements does not accurately reflect a standard serving size of an alcoholic spirit.** Depending on the alcoholic strength of the product, 100ml could be 3 or more servings of a spirit beverage, confusing messaging and position around responsible drinking and standard drinks. As each alcoholic beverage has its own container size, alcohol percentage and is served differently, expressing energy in 100ml quantities will likely complicate information and mislead consumers regarding the real nutritional impact of varying alcoholic beverages. We therefore recommend that energy information should only be provided in terms of a single standard serve as per the alcoholic product.
- 2) **The additional request to express the number of servings per container will increase the likelihood of confusion among customers and contribute to the logistical burden on producers.** Apart from the fact that standard drink sizes vary from country to country, standard serves depend on the strength of the alcoholic product¹. Having a requirement to feature both the total number of standard drinks and total number of standard serves in a

¹ <https://nadk.flinders.edu.au/kb/alcohol/general-alcohol-information/what-is-the-difference-between-a-standard-drink-and-a-serving-of-alcohol>

bottle will likely lead to confusion amongst consumers. Further, with the number of servings in a product differing based on size of container and type of spirit, it creates additional logistical burden and economic costs for operators. We therefore recommend that such a requirement to include the total number of standard serves in a bottle should be removed to avoid confusion.

- 3) **Amendments to the size and format of the proposed label.** With the constraints to labelling space on the back of beverage containers as it is, we are concerned that the size and format of the proposed label will be overly demanding on the limited space available, with the risk of consumers being exposed to isolated nutritional information without context. APISWA thus recommends that FSANZ considers making use of e-labelling solutions (e.g. QR codes) on containers that instead allow consumers quick and convenient access to comprehensive nutritional information online, with the potential to be catered to their own local languages and national recommendations. Industry welcomes the opportunity to work with FSANZ on such solutions that are already being considered by member companies due to its benefits to consumers.

Given the time and costs needed for labelling revisions, we welcome the commitment from FSANZ for a three-year transition grace period for the introduction of any new labelling requirements, with provisions for stock exhaustion for products already on the market, as well as the commitment to ensure consistency between Proposal P1059 and Proposal P1058. This would greatly help minimise the impact to business and support in ensuring cohesion in the implementation of changes to product labels.

Lastly, we would strongly welcome close cooperation with the local industry and concerned stakeholders in the implementation of the proposed labelling changes. Our industry partners from Spirits and Cocktails Australia and Spirits New Zealand have prepared qualitative analysis in their submission, which we hope FSANZ might be able to take into account in optimising the current proposed format of the energy label so that it can be utilised and understood meaningfully by consumers.

Once again, we are grateful for the opportunity to comment on Proposal P1059 and we remain at your disposal should you need any clarifications on the above points and recommendations.

Yours sincerely,

