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20th March 2023

Energy Labelling on Alcoholic Beverages Proposal
Food Standards Australia & New Zealand
PO Box 5423
KINGSTON ACT 2604

Response to the call for submissions– Proposal P1059 Energy labelling on alcoholic beverages

I write to you today, to humbly ask that you reconsider the proposal to introduce energy labelling on alcoholic beverages. My name is Peter Wellington and I am the sole trader of Mephisto Brewing Co.

Small craft breweries are a vibrant, entrepreneurial industry that has grown significantly in Australia - 650+ breweries have an economic output of \$1.93 Billion, employing 6,891 people. For every direct job within the industry, 3.8 jobs are created in agriculture, manufacturing, supply and hospitality - meaning the industry supports over 33,000 jobs. Within South Australia, 72 breweries operate; providing just over 2,000 jobs, boosting tourism and supporting local communities.

I would like to echo submissions made by both the national Independent Brewers Association and also the South Australian arm of the IBA, and make the following points.

- The economic climate currently for small breweries is very uncertain. During Covid restriction I was unable to operate the business, as at the time we only manufactured kegs. With no pubs or bars to sell to, I almost lost the business. Luckily I live with my retired parents who were able to support me financially, all be it difficult for them as well. Any unforeseen costs, like a packaging change will be detrimental to our industry
- Any labelling change unproportionally affects smaller brewers. With smaller volume runs, any changes to packaging take a long time to recoup. The cost of the Mandatory Pregnancy Labelling has cost my business \$18,000. If this change was to come in, along with other proposed changes it would mean I would have the same costs again. Not to mention the disposal of all the new labels and packaging I had to reprint.
- Reading Section 5 of the proposal, I would submit the economic impact on my business would be detrimental. I currently have five SKUs. If each SKU has to be relabelled that would mean a cost of \$3,600 per SKU in can. These costs would mean my business is unable to pay off the principal of two business loans, or develop new products to compete in the market. Plans to move to a company structure and employ a sales rep get further out of reach as well.
- Within the FSANZ submission there are references to an education campaign needed to help consumers understand the energy within alcoholic beverages. We would ask that this campaign is started in earnest before a labelling change is proposed.
- We also call for more in depth studies to ascertain the effectiveness of energy labelling, when all studies presented have concluded that there is no significant effect on consumer buying or consuming behaviour. This is a big change for our industry, and we would like to be a part of the consultation process.
- We propose that FSANZ abandon any plans of a full Nutritional Information Panel on labels for craft breweries in order to avoid consumer confusion and reduce consumers' intentions to buy.

If you would like to speak to me in regards to this submission, please find my contact details below.

Kind Regards.

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