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Food Standards Australia New Zealand
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Via email to: submissions@foodstandards.gov.au

IBA response to Proposal P1059 – Energy labelling on alcoholic beverages

The Independent Brewers Association (IBA) is the peak national industry body representing Australia's 600 independent brewers, 65% of these being small businesses based in regional and rural Australia.

Australia's 600+ independent brewers contribute an estimated \$1.93 billion in economic output to the Australian economy and employ 6,891 people, representing 51% of all employment in the brewing industry.

For every direct job in the brewing industry, a further 3.8 jobs are created in associated industries such as agriculture, logistics, manufacturing, hospitality and services. This means that the independent brewing industry is responsible for supporting over 33,000 jobs reflecting its significance to the Australian economy.

While we acknowledge the consumer has a right to the appropriate information, this just seems to be yet another way to stifle Australian alcohol producers. After facing the challenges presented by the pandemic we have still yet to recover before being presented with new barriers to survival:

- 1) The ongoing struggle of carrying an excise debt. While it was helpful to defer during the height of the pandemic in many instances the payback options are not sustainable as well as keeping up with current obligations.
- 2) The beer excise is linked to the Consumer Price Index (CPI) and automatically raises twice a year and amounted to almost 8% in 2022.
- 3) We already pay the fourth highest tax on beer in the world, sadly, soon to be the third highest.
- 4) Cost of more state and federal regulation eg. pregnancy warning labelling, licencing, permits etc.
- 5) Increase in costs of doing business, power, consumables, ingredients, packaging, freight etc
- 6) Inflation; rent and mortgage increases.
- 7) Labour and skills shortages.
- 8) Reduced distribution points and greater competition with multinational backing.

These challenges are currently causing businesses to go into voluntary administration, reduce staff and/or to put, what were once thriving assets on the market.

It is for these reasons that we find yet another mandated regulatory process unfair and burdensome.

While the IBA acknowledges we were involved in the codesign process for energy labelling, it is somewhat frustrating that from the outset it was not a matter of whether there would be a Nutrition Information Panel (NIP) introduced but the discussion pertained only to what it would look like.

We would also like to express our ongoing frustration at the constant battle we face with wave after wave of labelling requirements. We understand that the Department of Health and the anti-alcohol lobbyists are key stakeholders and well-funded while our members are a large group of small, family-owned businesses trying to provide jobs for Australians and navigate the plethora of regulation, taxation and legislation that makes this country the third highest regulated beer industry in the world.

We feel that the cost of making these changes were clearly articulated during the pregnancy labelling process but once again, need to highlight this as an issue for our many small businesses.

In response to the paper and background research presented, we would offer the following response:

- 1) The statement made by FSANZ that concludes "that less than 0.19% of the cost of obesity and overweight in Australia and New Zealand needs to be avoided to offset the cost to industry of a labelling change (see Section 5.9.1 and Attachment E). Therefore, mandatory energy labelling represents the option that is most likely to have the largest net benefit and is therefore the preferred option."
- 2) Given the matter of obesity is such a complex one and often pertains to many other issues than how much alcohol is consumed by a person eg. poor diet, exercise, mental health, genetics how can this analysis be adopted as fair when comparing the cost to industry of having to implement it. for future analyses we would request a more sophisticated methodology be used.
- 3) We would request a technological solution be allowed eg. QR Code instead of a truncated NIP. This is now tried and tested common practice for consumers and government agencies are heavy users of this form of information provision. If this can be done for COVID related health information then why not for other forms of health related consumer information?
- 4) Given there is already a plan to introduce sugars and carbohydrates on packaging, this would allow for a variety of health-related information to be included at any point in time.
- 5) IF the truncated NIP is the preferred solution we would request the option to use the well known abbreviation for Quantity "Qty" and / for Per as this will reduce the amount of space required for the table. The truncated NIP at this size will use almost at least a quarter of the space on a can (most often used by craft brewers) so every bit that can be saved will help.

ENERGY INFORMATION		
Servings per package: (insert number of servings)		
Serving size: mL		
	Quantity per serving	Quantity per 100 mL
Energy	kJ (Cal)	kJ (Cal)

- 6) We agree that the information would be provided as KJ's per serve and per 100 ml.
- 7) We also agree that in relation to the number of servings of the beverage in the package, the word 'package' may be replaced by 'bottle', 'can', or another word or words that accurately describes the package containing the beverage.
- 8) We agree that the energy content information for beverages containing alcohol for retail sale would only be required on one layer of packaging.
- 9) We agree with the 3 year mandated timeframe to implement and that this would include the option to voluntarily include it prior to 2026 if it coincided with the need to make other changes.
- 10) If the truncated NIP is introduced we would that an exemption be allowed for special/limited editions or products used for marketing/product development. Craft brewers can have dozens of core range options let alone the limited editions they offer so having an exemption in place would go a long way in reducing some of the cost burden of having to yet again, redesign packaging.
- 11) To further reduce the cost to these small business we would ask that a standardised energy calculator be provided and maintained by FSANZ or the relevant Health Departments.
- 12) We would also reinforce our request that any on-label energy information must be accompanied by a targeted, ongoing government-led education campaign including research that benchmarked the current state and measured the success of labelling and education.
- 13) We would also ask that broader more professional research is undertaken in regard to alcohol and its connection with obesity – we can not keep drawing these long bows. And labelling and its ability to change consumer behaviour. Two facts that should reinforce this request have been outlined in 3.5 Conclusion in the Call for Submissions:
 - a) "Around 80% of Australian and New Zealand adults consume alcoholic beverages, and national nutrition surveys indicate that energy intake from alcoholic beverages, on the days they do consume them, is considerable." This does not indicate what percentage of the 80% are overweight or obese which seems to be the whole premise for the introduction of this new labelling.
 - b) "Available consumer evidence has found that energy labelling has no effect on consumers' likelihood of drinking an alcoholic beverage. However, it remains unclear whether energy labelling on alcoholic beverages affects a range of other relevant behaviours, such as choice among different types of alcoholic beverages, the number of drinks consumed over time, or the amount of food consumed. It also remains unclear whether providing energy labelling using non-numerical formats and/or for a range of different alcoholic beverages enhances consumer understanding and therefore affects consumer behaviour."



Thank you in advance for your time in considering our submission. [REDACTED]
[REDACTED] should you require any further information.

[REDACTED]

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