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| Energy labelling of alcoholic beverages  |
| Options analysis  |
| 2021 |
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## Executive summary

In August 2019 the Australia and New Zealand Ministerial Forum on Food Regulation (now the Food Ministers’ Meeting)[[1]](#footnote-2) referred work on energy labelling of alcoholic beverages to Food Standards Australia New Zealand (FSANZ) as part of the work relating to alcohol labelling already underway[[2]](#footnote-3).

FSANZ has taken a staged approach to this work.

As a first step (Stage 1), FSANZ completed an evidence assessment to clearly identify and define the problem, and consider whether labelling is appropriate for addressing the identified problem (FSANZ 2021).

Based on key findings of the assessment FSANZ identified the following problem statement:

*Unlike most other packaged food and beverages, labels on most packaged alcoholic beverages do not provide information about energy content to enable consumers to make informed choices in line with dietary guidelines.*

As labelling is an appropriate approach to address the problem, FSANZ completed a second stage of work (Stage 2) that investigated regulatory and non-regulatory options for energy labelling of packaged alcoholic beverages to identify a preferred approach.

In September and October 2021, FSANZ met with key representatives from the alcohol industry, public health and consumer groups, and jurisdictions. The purpose of these meetings was to seek stakeholders views on possible options for energy labelling of alcoholic beverages, including implementation approaches, format and design and timelines. Stakeholders were also asked to present any alternative options, and comment on their preferred option/s.

Having regard to the Stage 1 evidence assessment, policy guidance, a preliminary consideration of impacts and stakeholder views, our assessment of each of the possible options has identified that on-label energy information is the best option to address the problem statement.

#### This preliminary assessment also identified that a mandatory approach to energy labelling of packaged alcoholic beverages would provide greater coverage and consistency for consumers than a voluntary approach. It would also provide regulatory certainty and a level playing field for all alcoholic beverages and producers.

In terms of format and design, given alcoholic beverages are of little other nutritional significance except for their energy and alcohol content, and a declaration of alcohol content is already required, a truncated nutrition information panel (NIP)[[3]](#footnote-4) containing energy only appears to be the most appropriate format for labelling on alcoholic beverages. A truncated NIP containing energy only was also the preferred format for stakeholders. However a more detailed analysis of format options is required with consideration of a detailed cost benefit analysis.

On the basis of the findings from Stage 1 and Stage 2, FSANZ intends to prepare a proposal to consider amending the Australia New Zealand Food Standards Code (the Code) with regard to energy labelling of alcoholic beverages.

#### When proposing a change to the Code, FSANZ must have regard to a number of matters set out in subsections 18(1), 18(2) and 59(2) of the *Food Standards Australia New Zealand Act 1991* (the FSANZ Act). This includes having regard to the FSANZ objectives, the need for standards to be based on risk analysis using the best available evidence, any written policy guidelines formulated by Ministers and consideration of costs and benefits. Public consultation will be undertaken during the proposal.

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## 1 Introduction

In August 2019 the Australia and New Zealand Ministerial Forum on Food Regulation (now the Food Ministers’ Meeting)[[4]](#footnote-5) referred work on energy labelling of alcoholic beverages to Food Standards Australia New Zealand (FSANZ) as part of the work relating to alcohol labelling already underway[[5]](#footnote-6).

FSANZ has taken a staged approach to this work.

As a first step (Stage 1), FSANZ completed an evidence assessment to clearly identify and define the problem, and determine whether labelling is appropriate for addressing the identified problem (FSANZ, 2021). This assessment took into consideration:

* the Australian and New Zealand Dietary Guidelines recommendations to limit alcohol intake to achieve an appropriate energy intake, and
* policy guidance[[6]](#footnote-7) which states that Ministers expect food labels to provide adequate information to enable consumers to make informed choices to support healthy dietary patterns recommended in the Dietary Guidelines.

Based on key findings of the assessment FSANZ identified the following problem statement:

*Unlike most other packaged food and beverages, labels on most packaged alcoholic beverages do not provide information about energy content to enable consumers to make informed choices in line with dietary guidelines.*

As labelling is an appropriate approach to address the problem statement, FSANZ completed a second stage of work (Stage 2) that investigated regulatory and non-regulatory options for energy labelling of packaged alcoholic beverages, and identified a preferred approach. This paper reports the outcomes of this investigation.

## 2 Background

### 2.1 Dietary Guidelines in relation to alcoholic beverages

Both the Australian and New Zealand Dietary Guidelines recommend limiting alcohol intake.

The Australian Dietary Guidelines consider alcohol to be a discretionary food (i.e. energy dense, nutrient poor) and that *limiting alcohol intake is an important strategy for achieving appropriate energy intake*. The guidelines recommend that alcohol intake contribute less than 5% of dietary energy (National Health and Medical Research Council [NHMRC], 2013).

The Eating and Activity Guidelines for New Zealand Adults note that *drinking alcohol can add more energy to the diet than people are aware of* and recommend that *if you drink alcohol, keep your intake low* (New Zealand Ministry of Health, 2020).

### 2.2 Ministerial policy guidance

The *Food Standards Australia New Zealand Act 1991* (the FSANZ Act) requires FSANZ to have regard to a number of matters including any written policy guidelines formulated by the Food Ministers’ Meeting when developing or varying food regulatory measures.

The *Policy Guideline on Food Labelling to Support Consumers to Make Informed Healthy Choices* (policy guideline)6 was endorsed by Food Ministers in August 2020. The scope of the policy guideline applies to foods, beverages and alcoholic beverages.

The overall aim of the policy guideline is that Food Ministers expect *food[[7]](#footnote-8) labels to provide adequate information to enable consumers to make informed food choices to support healthy dietary patterns recommended in the Dietary Guidelines.*

The policy principles particularly relevant to energy labelling of alcoholic beverages are:

* *Food labels should provide adequate information to enable consumers to identify foods that do and do not contribute to healthy dietary patterns recommended in the Dietary Guidelines*.
* *Information that enables consumers to identify foods that contribute to healthy dietary patterns recommended in the Dietary Guidelines is a public health priority and therefore sits towards the mandatory end of the ‘dominant mode of intervention’ within the preventative health section of the Food Labelling Hierarchy.*
* *Information that supports consumers to apply the recommendations in Dietary Guidelines should be provided on food labels in a format which:*
* *is easily accessed and understood by consumers;*
* *supports consumers to manage energy intakes to assist with achieving and maintaining a healthy body weight;*
* *supports consumers to compare foods;*
* *does not promote consumption of foods inconsistent with Dietary Guidelines (such as those high in saturated fat, added sugars, added salt and or foods with little or no nutritional value); and*

In addition, the policy guideline states that *consumers should not be required to access to access this information online via a link from a food label. However this does not preclude information that supports consumers to apply the recommendations in the Dietary Guidelines from being provided online or other mediums such as in-store.*

The policy guideline also refers to the need for education both in relation to the dietary guidelines to support consumer understanding and use of food labelling and to inform consumers about new food labelling requirements.

### 2.3 Nutrition labelling of alcoholic beverages in Australia and New Zealand

Standard 1.2.8 – Nutrition Information requirements in the Australia New Zealand Food Standards Code (the Code) requires most packaged foods to be labelled with a nutrition information panel (NIP), containing average energy content[[8]](#footnote-9) information. However, section 1.2.8—5 exempts standardised alcoholic beverages[[9]](#footnote-10) and beverages containing no less than 0.5% alcohol by volume (ABV) that are not standardised alcoholic beverages, from this requirement. This exemption occurred when mandatory nutrition labelling was introduced during the development of the joint Code in 2000 (FSANZ, 1999). The exemption was based on the view that the presence of a NIP could mislead consumers about the nutritional value of alcoholic beverages when most alcoholic beverages are of minor nutritional significance, except for their energy and alcohol content. It was noted that the relationship between energy and alcohol may need to be addressed through education.

Section 1.2.7—4 of Standard 1.2.7 - Nutrition, health and related claims permits nutrition content claims about energy or carbohydrate content to be made on alcoholic beverages. When a permitted nutrition content claim is made, section 1.2.8—5 states a NIP must be provided. The Code also permits alcoholic beverages to voluntarily provide a NIP (See Standard 1.1.2—9(4)).

When a NIP is provided, the particulars prescribed in section 1.2.8—6 must be included in the NIP and it must be set out in a prescribed format (S12—2). Consequently NIP-labelled alcoholic beverages cannot provide energy content information only and the average amount of the six mandatory nutrients required in a NIP must also be provided. Furthermore a NIP on the label of an alcoholic beverage must include the average energy content per serving (in mL as determined by the producer) and per 100 mL.

### 2.4 Previous work on labelling of alcoholic beverages

In 2011, *Labelling Logic: Review of Food Labelling Law and Policy* (Blewett et al., 2011), included a recommendation *that energy content be displayed on the labels of all alcoholic beverages, consistent with the requirements for other food products*. Since that time, the food regulation system have been undertaking work to explore energy labelling of alcoholic beverages, with the work primarily being led by the Food Regulation Standing Committee (FSANZ, 2021).

Subsequently, in 2017 and 2018, Ministers referred two other alcohol labelling matters to FSANZ:

* Carbohydrate and sugar claims on alcoholic beverages; and
* Pregnancy warning labels on alcoholic beverages.

In response FSANZ prepared two proposals, [P1049](https://www.foodstandards.gov.au/code/proposals/Pages/P1049.aspx) - Carbohydrate and sugar claims on alcoholic beverages and [P1050](https://www.foodstandards.gov.au/code/proposals/Pages/P1050Pregnancywarninglabelsonalcoholicbeverages.aspx) - Pregnancy warning labels on alcoholic beverages, to consider amending the Code with regard to the labelling of alcoholic beverages. P1050 has now been completed and new requirements for mandatory pregnancy warning labels on packaged alcoholic beverages were gazetted in the Code on 31 July 2020. Businesses have three years from 31 July 2020 to implement these requirements.

After concerns were raised about possible multiple changes to alcohol labelling requirements and the associated costs, in August 2019 Ministers agreed to refer the work on energy labelling of alcoholic beverages to FSANZ as part of the work relating to alcohol labelling already underway.

##### **FSANZ Stage 1 evidence assessment**

In June 2021 FSANZ completed Stage 1 of work investigating energy labelling of alcohol by undertaking an evidence assessment to clearly identify and define the problem (if any), and determine whether labelling is appropriate for addressing the identified problem (FSANZ, 2021).

To investigate the issue FSANZ considered:

* the consumption of, and the energy intake from, alcoholic beverages in Australia and New Zealand
* the available evidence regarding consumer value, understanding and behaviour in relation to energy content information about alcoholic beverages by undertaking a rapid systematic review and meta-analysis
* the availability of energy content information for alcoholic beverages for sale in Australia and New Zealand
* regulatory and non-regulatory approaches used overseas for the provision of energy content information to consumers including the labelling of alcoholic beverages
* technical issues associated with the determination of the energy content of alcoholic beverages.

Two rounds of targeted consultation were undertaken with key representatives from the food industry, public health and consumer groups, jurisdictions and government public health agencies.

In the context of the Australian and New Zealand Dietary Guidelines recommendations and policy guidance (see section 2.2), FSANZ identified the following problem statement:

*Unlike most other packaged food and beverages, labels on most packaged alcoholic beverages do not provide information about energy content to enable consumers to make informed choices in line with dietary guidelines.*

The problem statement was based on evidence that:

* around 80% of Australian (over 18 years) and New Zealand adults (over 15 years) consume alcoholic beverages
* alcoholic beverages contribute a mean of 16.7% and 16.0% of total daily energy intake for Australian and New Zealand adults respectively on the day they consume alcoholic beverages
* alcohol is energy dense providing 29.3 kilojoules/gram. For adults in the Australian and New Zealand nutrition surveys, 81% and 74% respectively of the energy intakes from alcoholic beverages is contributed by the alcohol itself
* in Australia and New Zealand most alcoholic beverages are purchased to consume away from the place of purchase
* most packaged alcoholic beverages for retail sale in Australia and New Zealand do not currently provide energy content information on the label, however some consumer information about the energy content of alcoholic beverages is available online
* the evidence shows consumers do not understand that alcohol is the main source of energy in most alcoholic beverages
* consumers generally value energy labelling on alcoholic beverages, however they do not understand it, at least when presented in numerical (calorie/kilojoule) format
* energy content information (in calorie/kilojoule numerical format) has no effect on consumers’ likelihood of drinking an alcoholic beverage. However it remains unclear whether energy content information affects other behaviours, such as choice among different types of alcoholic beverages or the number of drinks consumed over time. It also remains unclear whether providing energy content information in other (non-numerical) formats affects consumer behaviour
* energy content labelling of alcoholic beverages is not specifically regulated anywhere in the world, however, some countries are in the process of developing mandatory requirements for energy content labelling, and
* while there are some technical issues specific to alcoholic beverages, the energy content of alcoholic beverages can be determined to enable the provision of energy content information.

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### 2.5 FSANZ-related projects

There are currently two related projects on the FSANZ workplan.

##### **P1049 - Carbohydrate and sugar claims on alcoholic beverages**

P1049 was prepared in 2018 to clarify Standard 1.2.7 - Nutrition, health and related claims with respect to claims about carbohydrate and its components (such as sugar) in line with the original policy intent that prohibits nutrition content and health claims on alcoholic beverages. If P1049 results in a prohibition of carbohydrate and/or sugar claims about alcoholic beverages, this may also remove NIPs from alcoholic beverages, as these are required when nutrition content claims are made. Given the interrelationship between P1049 and energy labelling of alcoholic beverages, the implications of the potential loss of nutrition information (i.e. prohibition of carbohydrate and/or sugar claims and resultant loss of the required NIP) on alcoholic beverages will need to be considered as part of any consideration of energy labelling, as well as aligning any potential labelling changes.

##### **Potential proposal - Nutrition labelling about added sugars**

FSANZ has undertaken a review on nutrition labelling for added sugars and intends to prepare a proposal to consider amending the Code with regard to added sugars labelling information in the NIP[[10]](#footnote-11). As this proposal has not commenced, it is unknown if any changes to labelling requirements that may occur for added sugars will apply to alcoholic beverages.

## 3 Objectives and targeted consultation

In July 2021 FSANZ commenced a second stage (Stage 2) of work on energy labelling of alcoholic beverages. The objective of Stage 2 was to identify and assess options, both regulatory and non-regulatory, to address the problem statement identified in Stage 1, and identify a preferred approach.

In September and October 2021, FSANZ met with key representatives from the alcohol industry, public health and consumer groups, and jurisdictions (Appendix 1). The purpose of these meetings was to seek key stakeholders views on possible options for energy labelling of alcoholic beverages, including implementation approaches, format and design and timelines. Stakeholders were also asked to present any alternative options, and comment on their preferred option/s.

The meetings were very informative and highlighted areas where all stakeholder groups have an agreed view. All participating key stakeholders:

* think that consumers should have access to information about the energy content of alcoholic beverages that is both useful and meaningful
* consider an education campaign is critical to support any labelling changes
* support taking the time to ensure this project is done right, not fast. There is no support to rush this work to align with the transition period for pregnancy warning labels
* support aligning work on energy labelling of alcoholic beverages with P1049 to ensure timelines for the implementation of any further changes to alcohol labelling requirements resulting from these pieces of work are aligned.

Key stakeholder views specifically regarding the possible options to address the problem statement are included in the following sections.

## 4 Options to address the problem statement

Four options (including the status quo) were identified and assessed to consider the extent to which they would address the problem statement.

Option 1: Status quo

Option 2: Education campaign

Option 3: Digital linking to off-label energy information

Option 4: On-label energy information

A description of these options and key stakeholder views are presented below.

### 4.1 Option 1: Status quo

The status quo is described in detail in section 2.3 of this document.

Under this option, standardised alcoholic beverages and beverages containing no less than 0.5% ABV that are not standardised alcoholic beverages would continue to be exempt from the requirement to be labelled with a NIP, containing average energy content information.

NIPs would still be required on alcoholic beverages carrying permitted nutrition content claims (pending outcome of P1049).

The Code would still permit voluntary labelling of alcoholic beverages with a NIP, as well as provision of energy content information on product websites and in advertising.

This option would not address the problem statement.

##### Key stakeholder views

Stakeholders consider that consumers should have access to information to enable informed choice. There was generally no support from stakeholders to maintain the status quo.

### 4.2 Option 2: Education campaign

The Stage 1 literature review identified that consumers generally have a poor understanding of the energy content of alcoholic beverages and that energy content information is difficult to interpret (FSANZ, 2021).

Under this option consumers would be provided with information and education about:

* energy and kilojoules
* the energy density of alcohol
* average energy content of common alcoholic beverages
* the nutritional composition of alcoholic beverages
* the contribution alcoholic beverages can make to their total energy intake
* the dietary guidelines
* how to use labelling at the point-of-sale to make an informed choice.

Existing consumer evidence could be used to inform the development of an education strategy.

This option would not directly address the problem statement. Rather this option would aim to increase consumer awareness and general understanding to enable informed choices.

##### Key stakeholder views

Stakeholders agree that labelling alone will not improve consumer understanding, and a targeted, evidence-based consumer education campaign is required to support any of the possible options.

Public health, consumer and jurisdictional representatives raised issues of equity of access to information and education amongst minority groups such as low socioeconomic status and Indigenous groups. It was argued that any consumer education campaign should consider the needs of these disadvantaged groups.

There is general agreement that an education campaign should be government led, but stakeholder groups have different views on who else should be involved. Public health and consumer representatives think it should be developed with contribution from public health advisors. They do not support industry having any role in consumer education. Some industry representatives consider there is a role for industry in an education campaign, and industry bodies such as Drinkwise[[11]](#footnote-12) can facilitate this. However, they do not think the cost of an education campaign should be the responsibility of the alcohol industry.

### 4.3 Option 3: Digital linking to off-label, web-based information

Under this option, a digital link e.g. QR code would be provided on the label of alcoholic beverages directing consumers to nutrition information provided online on manufacturer’s websites. Text accompanying the link may be required for understanding e.g. ‘Scan here for nutrition information’ or ‘Scan here for information about energy content’.

Although energy content information would not be on-label itself, this option would partially address the problem statement because access to digital energy content information would be on the label.

##### Key stakeholder views

A few stakeholders within each group consider digital labelling a viable option however the majority do not support this option.

Public health, consumer and jurisdictional representatives argue the reliance on technology would create inequalities in access to the information, and that the information would not be readily available at point of sale or consumption when it is required to inform decision making. There are also some concerns that because the information would be provided on industry websites it may be presented alongside advertising/marketing material.

Some industry representatives report that digital linking to web based information is preferable as it allows information to be added or updated at a lower cost, without label changes. However many industry stakeholders consider it more burdensome, particularly for producers that do not already have a website. Some industry stakeholders think producers should have the option of providing energy content information either on-label or digital linking to website information, but both should not be required together.

### 4.4 Option 4: On-label energy information

Under this option energy content information would be provided on the label of packaged alcoholic beverages.

This option would address the problem statement.

##### Key stakeholder views

There is majority support from all stakeholder groups for on-label energy information.

## 5 Implementation considerations

FSANZ has considered and consulted on possible implementation options for energy labelling of alcoholic beverages. These options and a summary of stakeholder views are presented below.

### 5.1 Voluntary labelling

Under this option, alcoholic beverage producers may voluntarily provide energy content information on the label of packaged alcoholic beverages.

Currently, the Standard 1.1.2—9(4) permits alcoholic beverages to voluntarily provide energy content information but only in the format of a full NIP. However, under a new voluntary option, a full NIP would not be required on-label. Rather a format for the provision of energy information only on the label of alcoholic beverages could be set out in a) the Code or b) an industry Code of Practise (CoP)/guideline.

Dependent on uptake by the alcohol industry, this option may address the problem statement.

A voluntary approach could be subject to uptake targets, and should uptake targets not be reached, mandatory labelling could be implemented.

##### **Voluntary labelling in the Code**

Under this option, energy labelling would be permitted on alcoholic beverages subject to information and format conditions set out in the Code. In other words the option to label is voluntary, but if producers decide to label alcoholic beverages, then information and formatting conditions would be specified in the Code. The details of these conditions would need to be determined.

##### **Voluntary industry Code of Practice/guideline**

Under this option, an industry led voluntary Code of Practice (CoP) or guideline would be developed (potentially co-developed/co-designed with FSANZ) by the alcohol industry. The CoP would include general principles and guidelines for the voluntary provision of energy content information about alcoholic beverages on, and off-label. It may incorporate design features, such as format, location and size.

This option may create impetus for the alcohol industry to voluntarily adopt the CoP, which may lead to increased energy labelling of alcoholic beverages.

An industry led CoP would not be implemented through the Code. However a voluntary CoP may require some amendments to current requirements for alcohol labelling e.g. an exemption from the requirement to have a full NIP when making an energy content claim. The implications of a voluntary CoP for current alcohol labelling requirements in the Code would need to be considered.

### 5.2 Mandatory labelling

Under this option all packaged, standardised alcoholic beverages and beverages containing no less than 0.5% ABV would be required to be labelled with energy content information in a format and design as prescribed in the Code.

A mandatory approach would address the problem statement.

##### Stakeholder views

Public health stakeholders strongly support a mandatory approach and consider it is essential to ensure consistent and widespread energy labelling of alcoholic beverages. Some public health representatives note that voluntary energy labelling is already permitted but most packaged alcoholic beverages in Australia and New Zealand do not voluntarily have energy content information on-label. Furthermore some public health stakeholders consider previous voluntary labelling initiatives in Australia and New Zealand, as well as overseas, have been ineffective, citing pregnancy warning labelling as one such example. They also consider that under a voluntary approach, energy labelling of alcoholic beverages will be applied selectively to advertise products favourably, and cite the health star rating as an example of a voluntary scheme where this has been observed.

There is no clear consensus among industry stakeholders. Retailers and small producers generally support a voluntary approach. However large companies generally support a mandatory approach as it would provide long-term regulatory certainty. While some industry stakeholders are advocating for a voluntary initial period, before potentially becoming mandatory. There are significant concerns that a format and design used for voluntary energy labelling of alcoholic beverages could be subject to change if it is not mandated. Industry stakeholders seek reassurance this would not happen

Some jurisdictional stakeholders support a voluntary approach, using an agreed or mandated format, with uptake targets for specific product categories and an independent monitoring system to assess uptake. They all agree that if uptake targets are not achieved in a mandatory approach, then mandatory labelling would need to be implemented.

## 6 Impact analysis

An initial and high-level qualitative analysis of the benefits and costs of the options was undertaken, to determine if consumers, the alcohol industry and government as a whole are likely to benefit from a move from the status quo. This section is not intended to be an in-depth consideration of the costs and benefits where impacts are quantified. Rather this section discusses the predicted and potential qualitative impacts of the proposed options compared to the status quo.

Should a proposal be prepared to consider changing the Code with regarding to energy labelling of alcoholic beverages, a more detailed consideration of the costs and benefits will be undertaken. That would be supported by further consultation and specification of options for energy labelling.

This section broadly compares options 2 to 4 to the status quo.

##### Consumers

As stated earlier, the impacts on actual consumer behaviour of providing energy information are currently unclear. FSANZ, however, understands that motivated consumers would be most able to make informed choices in line with dietary guidelines if they have information on the energy content of each packaged alcoholic beverage:

* at point of sale and point of consumption
* that is easily accessible, i.e. consumers can access with minimal cognitive effort
* that is consistently provided on all alcoholic beverages to enable comparison between products.

An education campaign (option 2), may provide consumers with greater understanding of the energy content of alcoholic beverages compared to the status quo. The impact, however, of such education may be limited if core energy information is not available on some or the majority of alcoholic beverages. Education will not change the fact that most packaged alcoholic beverages for sale in Australia and New Zealand do not currently provide energy content information on-label. Consumers may not be able to easily use the education to compare energy content between alcoholic beverages and with other foods. This may limit how meaningful and useful education is, particularly as education is also unlikely to reach all consumers and education may only be delivered at certain times or in certain settings.

Digital linking to off-label energy information (option 3), would provide consumers with more information compared to the status quo. Off-label, web-based information, however, would not be as easily accessible as on-label information. More cognitive effort would be required to scan or look at websites, than seeing energy content information directly on the label of an alcoholic beverage. Energy content information would be spread across numerous industry websites, making it difficult for consumers to compare products. Additionally, some consumers may be unwilling or unable to use the technology to access this information.

On-label energy information (option 4), may most effectively help consumers make informed dietary choices compared to the status quo, especially if this option is complemented by education. On-label energy information would be more easily accessible at point of sale and consumption, enabling consumers to compare across alcoholic beverage products and with other foods.

##### Alcohol Beverage Industry

Assuming an education campaign (option 2) would be government-led, this is unlikely to incur any more costs to industry than the status quo.

Digital linking to off-label, web-based information (option 3) may be the least practical of options 2 to 4 for industry compared to the status quo, and is not expected to be more cost effective than option 4. A label change through the addition of a QR code would be required and there would be increased costs associated with website maintenance. Some businesses may need to create a website and small businesses may struggle with the practicalities and costs of implementing new technological requirements under this option.

On-label energy information (option 4), would have relabelling costs for industry compared to the status quo. This option, however, may be more practical than Option 3 because it is another standard label change rather than a new technological requirement. This option would also more effectively enable consumers to access and use energy information. Therefore, Option 4 may represent more value for industry money than Option 3 in helping consumers make informed choices in line with dietary guidelines.

##### Government

Options 2,3, and 4 would all incur some costs for government, including education and/or enforcement. Option 3 Digital linking to off-label energy information, may also present challenges and costs to government for monitoring and evaluation of information that is not on a label.

Despite potential enforcement and monitoring costs, on-label energy information (option 4), may present better value for money and government resources by more effectively enabling consumers to make informed dietary choices.

##### Mandatory vs Voluntary labelling

When moving away from the status quo, mandatory labelling may represent better value for money than voluntary labelling compared to the status quo. Compared to voluntary labelling, mandatory labelling may better ensure:

* consistent information is available for consumers to compare between every packaged alcoholic beverage and between packaged alcoholic beverages and other discretionary foods
* regulatory certainty for alcoholic beverage producers, as a voluntary scheme may later become mandatory with potential changes in label format, and
* a level playing field for all alcoholic beverages.

If there was voluntary labelling there may be incentives for some producers not to disclose energy information on some beverages that either:

* have a higher energy content than most other alcoholic beverages
* are presently perceived by consumers to be a “healthier choice” and as having a relatively lower energy content than they actually do.

Overall, FSANZ considers that mandatory on-label energy information is likely to be both the most effective in enabling consumers to make more informed dietary choices when consuming alcoholic beverages and potentially represents better value for money of the options compared to the status quo.

## 7 Format considerations

#### FSANZ considered possible format options which could be applied using either a voluntary or mandatory labelling approach. A preliminary analysis of options was undertaken and presented to stakeholders. These options and a summary of stakeholder views are outlined below.

### **7.1 Option 1:** Truncated NIP

#### Under this option alcoholic beverages would be labelled with a truncated NIP. A truncated NIP would not include all six of the mandatory nutrients required in a full NIP[[12]](#footnote-13). FSANZ have identified two options for a truncated NIP that are of relevance to most alcoholic beverages.

##### **Option 1a: Energy only**

#### Under this option packaged alcoholic beverages would be labelled with a NIP that contains the average energy content for a serving of the beverage (as determined by the producer) and per 100 mL of the beverage. Other nutrients required in a full NIP would not be required on alcoholic beverages.

#### Table 1: Strengths and weaknesses for a truncated NIP, energy only

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| **Strengths** | **Weaknesses** |
| * Consumers already familiar with nutrition labelling in a NIP format
* Supports consumers to easily compare the energy content of packaged alcoholic beverages with other foods enabling more informed choices
* Does not include nutrients that are not present in significant amounts in most alcoholic beverages e.g. fat, protein etc. therefore unlikely to give consumers the impression it is a healthy choice
* Internationally recognised format for the provision of nutrition information
* Consistent with some overseas voluntary initiatives
 | * Does not provide information about other nutrients e.g. sugar that may be present in significant amounts in some alcoholic beverages
* Information provided per serving (as determined by the producer) and per 100 mL which may not reflect typical or likely consumption volumes of alcoholic beverages
 |

##### **Option 1b: Energy and other nutrients**

Under this option packaged alcoholic beverages would be labelled with a NIP that contains the average energy content, and potentially other nutrients of interest in alcoholic beverages e.g. carbohydrate, sugar etc. for a serving of the beverage (as determined by the producer) and per 100 mL of the beverage. Other nutrients required in a full NIP would not be required on alcoholic beverages.

#### Table 2: Strengths and weaknesses for a truncated NIP, energy and other nutrients

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| **Strengths** | **Weaknesses** |
| * Provides information about other nutrients (such as sugar) that may be present in significant amounts in some alcoholic beverages
* Consumers already familiar with nutrition labelling in a NIP format
* Supports consumers to compare the energy, carbohydrate and sugar content of alcoholic beverages with other foods enabling more informed choices.
 | * Many alcoholic beverages have negligible amounts of carbohydrate and sugar and zero values may give the impression that it is a healthy option
* Information provided per serving (as determined by the producer) and per 100 mL which may not reflect typical or likely consumption volumes of alcoholic beverages.
 |

##### Key stakeholder views

There was general agreement among all stakeholder groups that a truncated NIP, containing energy only, is an appropriate on-label format for alcoholic beverages. There is some concern among public health, consumer and jurisdiction stakeholders that the inclusion of sugar and carbohydrate content information on the label would mislead consumers about the ‘healthfulness’ of alcoholic beverages.

### 7.2 Option 2: Energy icon

Under this option packaged alcoholic beverages would be labelled with an energy icon displaying the average energy content of the product. The average energy content could be declared on a 100 mL basis, or per pack when presented as a single portion intended for consumption in a single sitting, or per [reference portion] when presented as part of a multipack. Specifics of the design, location, size etc. would need to be determined.

#### Table 3: Strengths and weaknesses for an energy icon

|  |  |
| --- | --- |
| **Strengths** | **Weaknesses** |
| * A simplified format may be understood by consumers more than the standard numeric format of a NIP
* Consumers report that they prefer this format over a NIP
 | * New icon and labelling format that consumers are not familiar with
* Different format may limit consumers ability to compare the energy content of packaged alcoholic beverages with other foods that provide information in a NIP
* Limited consumer evidence to support such an approach. Although consumers report they prefer an energy icon over a NIP, they still report that the energy icon is not ideal
* Not consistent with voluntary labelling formats used overseas
 |

##### Key stakeholder views

There was minimal support for this option. Stakeholders generally agreed there are too many icons used on food labels already and an energy icon may be cause confusion for consumers. Some government and public health stakeholders highlighted that following the Health Star Rating Five Year Review[[13]](#footnote-14) the energy icon was removed from the Health Star Rating System. This was because the energy icon is not well understood by consumers and does not provide interpretive information to support choice. Furthermore the different labelling makes it hard to compare products.

### 7.3 Option 3: Full NIP

Under this option packaged alcoholic beverages would be labelled with a full NIP consistent with most other packaged foods.

#### Table 4: Strengths and weaknesses for a full NIP

|  |  |
| --- | --- |
| **Strengths** | **Weaknesses** |
| * Information available for consumers to identify alcoholic beverages containing high amounts of energy and other nutrients e.g. sugar, that the dietary guidelines recommend should be limited
* Consumers already familiar with nutrition labelling in a NIP
* Consistent with most other packaged food so consumers able to compare alcoholic beverages with other foods
* Aligns with Ministerial policy guidance
 | * Significant impact on industry including costs associated with label changes, as well as use of label space
* As most alcoholic beverages have little other nutritional significance except for their energy and alcohol content, a NIP could mislead consumers about the nutritional value of alcoholic beverages.
* NIPs provide information per serving (mL) (as determined by the producer) and per 100 mL. Consequently information in a NIP may not reflect typical or likely consumption volumes of alcoholic beverages
 |

##### Key stakeholder views

There is no support for this format option. Stakeholders generally agree that a full NIP is not appropriate for alcoholic beverages.

### 7.4 Summary of stakeholder views on format options

Regardless of the format option, there is general agreement that the colour and size of energy labelling does not need to be prescribed, and that compliance with existing legibility requirements in the Code (section 1.2.1—24) would be sufficient. However, there is mixed opinion about location of the labelling. While public health and jurisdictions think all health information such as warning labels and alcohol content should be co-located, industry stakeholders do not think location should be prescribed.

There is also mixed opinion about the measurement unit for the declaration of energy. Although most alcoholic beverages are not consumed in 100 mL serves, there is general agreement that the energy content of alcoholic beverages should be declared per 100 mL, consistent with the NIP on most other packaged foods and beverages. This would best enable comparison of energy content across different products or packaged foods. However, there is no consensus whether energy content should also be declared by a serving size determined by the producer, consistent with other foods and beverages, or if it should be declared per standard drink[[14]](#footnote-15) or by reference measures based on the category of alcoholic beverage e.g. wine, beer, spirit etc.

No stakeholders want energy labelling of alcoholic beverages to confuse or mislead consumers, and all agreed that getting the correct format is critical. There is general support for the format and design for energy labelling of alcoholic beverages to be co-designed by FSANZ and representatives from each stakeholder group.

## 8 Conclusion

The objective of this assessment was to consider regulatory and non-regulatory options for energy labelling of alcoholic beverages, and identify a preferred approach to address the problem statement.

Having regard to the Stage 1 evidence assessment, policy guidance, a preliminary consideration of impacts and stakeholder views, our assessment of each of the possible options has identified that on-label energy information is the only option that addresses the problem statement.

#### This preliminary assessment also identified that a mandatory approach to energy labelling of packaged alcoholic beverages would provide greater coverage and consistency for consumers than a voluntary approach. It would also provide regulatory certainty and a level playing field for all alcoholic beverages and producers.

In terms of format and design, given alcoholic beverages are of little other nutritional significance except for their energy and alcohol content, and a declaration of alcohol content is required, a truncated NIP containing energy only appears the most appropriate format for labelling on alcoholic beverages. A truncated NIP containing energy only was also the preferred format for stakeholders. However a more detailed analysis of options is required with consideration of detailed costs and benefits as well as the implications arising from P1049 - Carbohydrate and sugars claims on alcoholic beverages. Furthermore a review of developments in overseas approaches to energy labelling of alcoholic beverages since the stage 1 evidence assessment and further targeted consultation may assist FSANZ with our consideration of format options.

On the basis of the findings from Stage 1 and Stage 2, FSANZ intends to prepare a proposal to consider amending the Australia New Zealand Food Standards Code (the Code) with regard to energy labelling of alcoholic beverages.

#### When proposing a change to the Code, FSANZ must have regard to a number of matters set out in subsections 18(1), 18(2) and 59(2) of the Food Standards Australia New Zealand Act 1991 (the FSANZ Act). This includes having regard to the FSANZ objectives, the need for standards to be based on risk analysis using the best available evidence, any written policy guidelines formulated by Ministers and consideration of costs and benefits. Public consultation will be undertaken during the proposal.

## 9 References

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## Appendix 1 – Targeted consultation

#### Table 1: Participating industry organisations

|  |  |
| --- | --- |
| Brewers Association of AustraliaLionIndependent Brewers Association Australian Grape and WineWine Australia Cider AustraliaAustralian Distillers AssociationDrinkWise AustraliaSpirits and Cocktails Australia ColesEndeavour Drinks Group (formerly Woolworths Liquor)Drinkworks Australia | Retail Drinks AustraliaBrewers Association of New ZealandBrewers Guild of New ZealandNew Zealand WinegrowersSpirits New Zealand and Distilled Spirits Aotearoa (NZ) Inc NZ Alcohol Beverages CouncilFoodstuffs NZ, also own LiquorlandNZ Food & Grocery CouncilCampari Australia Pty LtdCoca-Cola Europacific Partners AustraliaDB NZDiageo Australia |

#### Table 2: Participating public health and consumer organisations

|  |  |
| --- | --- |
| Foundation for Alcohol Research and EducationAustralian Chronic Disease Prevention Alliance and Cancer CouncilObesity Policy CoalitionCancer Council VictoriaCancer Council Australia Nutrition And Physical Activity Committee Cancer Council WAPublic Health Association of Australia | Consumers’ Federation of Australia Health Promotion AgencyConsumer New ZealandAlcohol HealthwatchDietitians New Zealand Dietitians AustraliaThe George InstituteAlcohol and Drug Foundation |

#### Table 3: Participating jurisdictions

|  |  |
| --- | --- |
| Commonwealth Department of HealthNSW Ministry of Health NSW Department of Primary IndustriesWestern Australia Department of HealthVictorian Department of Health Agriculture Victoria | Queensland HealthTasmania Department of HealthNorthern TerritorySouth Australia HealthNew Zealand Ministry for Primary Industries  |

1. The Australia and New Zealand Ministerial Forum on Food Regulation name change took effect on 21 February 2021 following a decision by Ministers. [↑](#footnote-ref-2)
2. On FSANZ’s work program at the time were Proposals [P1049 - Carbohydrate and sugars claims on alcoholic beverages](https://www.foodstandards.gov.au/code/proposals/Pages/P1049.aspx) and [P1050 – Pregnancy warning labelling on alcoholic beverages](https://www.foodstandards.gov.au/code/proposals/Pages/P1050Pregnancywarninglabelsonalcoholicbeverages.aspx). [↑](#footnote-ref-3)
3. A truncated NIP would not include all six of the mandatory nutrients required in a full NIP being Protein, fat, saturated fat, carbohydrate, sugars, sodium - a component of salt. [↑](#footnote-ref-4)
4. The Australia and New Zealand Ministerial Forum on Food Regulation name change took effect on 21 February 2021 following a decision by Ministers. [↑](#footnote-ref-5)
5. On FSANZ’s work program at the time were Proposals [P1049 - Carbohydrate and sugars claims on alcoholic beverages](https://www.foodstandards.gov.au/code/proposals/Pages/P1049.aspx) and [P1050 – Pregnancy warning labelling on alcoholic beverages](https://www.foodstandards.gov.au/code/proposals/Pages/P1050Pregnancywarninglabelsonalcoholicbeverages.aspx). [↑](#footnote-ref-6)
6. The policy guideline is available at <https://foodregulation.gov.au/internet/fr/publishing.nsf/Content/food-policies> [↑](#footnote-ref-7)
7. The policy guideline footnotes that ‘food’ refers to foods and beverages, including alcoholic beverages. [↑](#footnote-ref-8)
8. ***average energy content*** means the average energy content calculated in accordance with section S11—2. [↑](#footnote-ref-9)
9. ***standardised alcoholic beverage*** is defined in the Code as beer, brandy, cider, fruit wine, fruit wine product, liqueur, mead, perry, spirit, vegetable wine, vegetable wine product, wine or wine product. [↑](#footnote-ref-10)
10. Further information about sugar labelling available at <https://www.foodstandards.gov.au/consumer/labelling/Pages/Sugar-labelling.aspx> [↑](#footnote-ref-11)
11. https://drinkwise.org.au/about-us/about/# [↑](#footnote-ref-12)
12. Protein, fat, saturated fat, carbohydrate, sugars, sodium - a component of salt [↑](#footnote-ref-13)
13. <http://www.healthstarrating.gov.au/internet/healthstarrating/publishing.nsf/Content/HSR-system-changes2020> [↑](#footnote-ref-14)
14. “Standard drink” is a measure used to prevent harm from consumption of alcohol. [↑](#footnote-ref-15)