



P1049 – Carbohydrate and sugar claims on alcoholic beverages

Food Standards Australia and New Zealand
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About the National Retail Association



The National Retail Association is a not-for-profit organisation that represents the interests of retailers across Australia.



We exist to support, inform, protect and represent the interests of retailers and quick service restaurant businesses. We understand the issues and opportunities facing retailers every day.



Our members can expect to receive the latest industry information, the fastest news updates and the best range of industry insights to help their business grow and succeed



The retail industry plays a huge role in Australia's economy, employment and greater livelihood and we are dedicated to helping unite retailers and stakeholders for the success of the industry now, and for the future.

Introduction

In recent decades, there has been an increase in the prevalence of alcoholic beverages that carry nutrition content claims about carbohydrate and/or sugar on their labels, to meet consumer expectations about managing their intake of carbohydrates including sugars. These claims relate to the alcoholic beverage categories of beer, cider, premixed spirits and alcoholic mineral waters, seltzers and kombucha teas.

FSANZ Standard 1.2.7 prohibits nutrition content and health claims to be made about food that contains more than 1.15% alcohol by volume (ABV), including alcoholic beverages, other than expressly permitted exemptions that allow nutrition content claims about carbohydrate, energy or gluten content. As sugar is a kind of carbohydrate, the permission has been interpreted to include claims about sugar content.

Consumers are becoming more aware of the effects of excessive consumption of certain alcoholic beverages, and low carbohydrate, sugar and kilojoule varieties are now an established part of the market in Australia.

The current exemption for carbohydrate content claims was permitted to facilitate industry innovation and provide additional nutrition information to increase consumer choice (for low-carb beers). Gluten content was permitted to enable people with coeliac disease to make choices appropriate for their condition. Nutritional information about sugars, as a kind of carbohydrate, would also be of value to those consumers seeking to manage their sugar intake. However, because claims about sugar are not specifically mentioned in Standard 1.2.7, an ambiguity exists about the legality of these claims.

FSANZ is therefore proposing to remove this ambiguity by amending Standard 1.2.7 to clarify what nutrition content claims are permitted for carbohydrate and sugar in relation to foods containing alcohol >1.15% ABV.

The proposed amendment is intended to support consumers to make informed choices while providing clarity and certainty for enforcement agencies and industry.

FSANZ has presented the following Options for consideration:

1. Maintain the status quo,
2. Clarify the existing permission to make nutrition content claims about carbohydrate by including and express permission in the Code to make nutrition content claims about sugar on food that contains more than 1.15% ABV, or
3. Remove the permission in the Code to make nutrition content claims about carbohydrate on food that contains more than 1.15% ABV.

National Retail position

Industry support Option 2, as carbohydrate and sugar claims on alcoholic beverages provide relevant and factual information that is valued by consumers, and this option will not require changes to existing labels and marketing/advertising.

Conversely, to regulate claims about sugar and carbohydrate differently could be seen as inconsistent, and to remove information about carbohydrates and/or sugar could be seen as limiting consumer choice.

Response to questions

1. Do you have or are you aware of any evidence to suggest that nutrition content claims about carbohydrate and/or sugar on alcoholic beverages affect consumers': (a) level of consumption of alcoholic beverages? (b) level of physical activity? (c) general food intake?

National Retail is not aware of any additional evidence to suggest that nutrition content claims about carbohydrate/sugar directly affect consumer choice, beverage consumption, physical activity or general food intake.

However, National Retail does caution about over-interpretation of per-capita consumption of alcoholic beverage data for Australia. Multi-culturalism has been Australian government policy since the 1970's, and consequently, Australia's ethnic mix is changing, with more people from Asia (including the Indian sub-continent), the Middle East and North Africa living in the country (1). Asian people have a lower ethanol tolerance (2) and people from the Middle East and North Africa may choose not to drink alcoholic beverages for religious reasons (3). Therefore, the proportion of the population consuming alcoholic beverages is decreasing, consistent with apparent consumption data (4). However, amongst people that choose to drink alcoholic beverages, ethanol intake is increasing (4). This is particularly the case amongst older women (45+ years). There is insufficient data to assess whether nutrition content claims about carbohydrates and sugars are affecting these trends, however.

FSANZ research indicates that consumers generally have a poor understanding of the nutritional content of alcoholic beverages, including:

- Only a minority of customers can correctly estimate energy content of alcoholic beverages.
- Consumers do not understand that the main source of energy in most alcoholic beverages is alcohol itself.
- As a result, they tend to overestimate the sugar and carbohydrate content of alcoholic beverages.

However, there is no clear evidence to suggest that sugar and carbohydrate claims on alcoholic beverages affect consumers' level of alcohol intake, but they may decrease modification of food intake or physical activity to compensate for the energy from alcoholic beverages.

Option 2 to expressly permit both carbohydrate and sugar claims will enable consumers who consume alcoholic beverages to consider lower carbohydrate and sugar options when purchasing alcoholic beverages.

2. Are you aware of any studies that sufficiently examine the effects of nutrition content claims about carbohydrate and/or sugar on choice between different types of alcoholic beverages?

National Retail thinks that the findings of the FSANZ rapid systematic review provides sufficient evidence to indicate consumer value, perceptions and behavior's in response to nutrition content claims about carbohydrate and sugar content in alcoholic beverages, as described in Supporting Document 1 (SD1) and summarized in Section 3.4 of the CFS. In

particular that:

- there is currently no clear evidence to suggest that sugar and carbohydrate claims affect consumers' level of consumption of alcoholic beverages;
- there is limited evidence that carbohydrate or sugar claims affect the extent that consumers modify their food intake or physical activity in order to compensate for the energy from alcoholic beverages. Although some evidence suggests that sugar claims may influence young female adults' intentions about physical activity and food intake, this was only examined in the absence of energy content information; and that
- consumers generally value sugar claims (and sugar information more broadly) on alcoholic beverages and may also value carbohydrate claims.

3. **Do you agree with the estimates for the average cost of labelling change for option 3 for affected Stock Keeping Units (SKUs) in Attachment D? Please provide evidence to support your position.**

This question is outside the scope of National Retail.

4. **Do you have any data on amounts or proportions of SKUs that carry nutrition content claims about carbohydrate and/or sugar and that would be affected by option 3?**

This question is outside the scope of National Retail.

5. **Do you agree with FSANZ's current overall consideration of costs and benefits?**

National Retail is in general agreement with FSANZ's cost-benefit analyses.

Consumers currently think that both carbohydrates and sugar are likely to cause weight gain and report trying to limit their intake. Therefore, consumers currently value sugar content claims (and sugar information more broadly) on alcoholic beverages, helping them make informed choices.

In 2017, the ANZ Ministerial Forum on Food Regulation (now the Food Ministers' Meeting – FMM) raised concerns that % sugar free claims on alcoholic beverages are misleading and that alcohol is being promoted as a healthier choice for consumers when public health advice is to limit alcohol intake.

However, FSANZ rapid systematic review provides evidence that while nutrition content claims about carbohydrate and sugar may affect consumer choice over another beverage, they do not appear to affect alcohol consumption levels per se, and therefore the provision of this information does not appear to be negatively affecting public health and safety.

6. **Are there any other material costs and benefits that you believe should be taken into account in this analysis**

The proposal has noted expected costs associated with removing permission in the code to make nutrition content claims about carbohydrate and/or sugar on food that contains more than 1.15% ABV to include:

- Costs of relabelling some alcoholic beverages to remove nutrition content claims about carbohydrate and sugar content. We note that the modelled costs presented in

the paper are indicative only, and that actual cost to business may exceed this estimation.

- Costs of re-branding, advertising, and defending market shares of alcohol beverages.
- Potential competitive disadvantage for Australian and New Zealand producers/brands in overseas markets due to local label restrictions.
- The information deficit of removing information that customers value, and the potential negative nutrition impacts of removing information that allows consumers to consider lower sugar content when purchasing alcoholic beverages.

Preferred model

National Retail support Option 2 – to maintain the permission for carbohydrate content claims and explicitly permit sugar content claims on alcoholic beverages, on the basis that option 2:

- a) is generally supported by industry stakeholders
- b) achieves the policy intent to provide clarity and certainty acceptable claims
- c) allows for the provision of information about sugar content that will assist consumers to make informed choices with consideration to the dietary guideline recommendations about sugar, and
- d) does not incur new label change costs for products that already carry compliant claims about sugar content.

Option 2 reduces the ambiguity of the status quo and is preferable to the cost to Australian and New Zealand businesses if they were required to remove nutritional information that would be required by option 3.

Conclusion

National Retail values the opportunity to continue to be informed and involved in the formulation of effective Food Standards, particularly as it relates to Retail traders, to assist industry with successful implementation and FSANZ in the formulation of effective industry and consumer education programmes.

References

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4. Grech A, Rangan A, Allman-Farinelli M. Increases in Alcohol Intakes Are Concurrent with Higher Energy Intakes: Trends in Alcohol Consumption in Australian National Surveys from 1983, 1995 and 2012. Nutrients. 2017;9(9).