

Comments from the Victorian Department of Health and the Victorian Department of Energy, Environment and Climate Action.

Due date of submission – 4 September 2023

The Victorian Departments of Health and Energy, Environment and Climate Action (the departments) welcome the opportunity to provide comments on Proposal P1049 carbohydrate and sugar claims on alcoholic beverages.

Executive summary

The purpose of the proposal as stated in the call for submissions is to clarify requirements in the Australia New Zealand Food Standards Code (the Code) with respect to claims about carbohydrate content and the components of carbohydrate (such as sugar) in relation to food that contains more than 1.15% alcohol by volume. While the departments support clarifying claim permissions for alcoholic beverages, we note the issue initially raised by Food Ministers was broader and focused on concerns that sugar claims on alcoholic beverages may be misleading and undermine public health advice.

The departments do not support FSANZ's proposed approach to retain carbohydrate claim permissions and expressly permit claims on alcoholic beverages about sugar and sugars on the basis that:

- it does not address original concerns raised by Ministers
- the claims are poorly understood by consumers and likely to increase current misunderstanding of the energy content of alcoholic beverages
- the claims do not support informed choice where alcoholic beverages are inherently low in carbohydrates and sugar
- the claims do not align with ministerial policy guidelines in relation to supporting consumers to manage energy intake and align with dietary guidelines.
- the express permission may encourage further expansion of unhelpful claims on alcoholic beverages

The departments suggest that the proposal is revised to clearly acknowledge and consider concerns raised by ministers related to the potential misleading nature of claims on alcoholic beverages. This will provide an appropriate framework to understand the issues and help inform the most appropriate regulatory response.

The departments note that direct evidence for the impact of claims on consumption and related behaviours is limited but that a lack of evidence does not necessarily equate to an absence of an effect. Further consumer research may be required to understand the impact on consumers and associated costs and benefits.

The department's key areas of concern are expanded upon below.

Proposal aim

In November 2017, the Australia and New Zealand Ministerial Forum on Food Regulation (now the Food Ministers' Meeting) noted the increasing prevalence of sugar free claims on alcoholic beverages in Australia and New Zealand. Ministers also raised concern that such claims on alcoholic beverages are misleading and may promote alcohol as a healthier choice for consumers when public health advice is to limit alcohol intake. The purpose of the proposal outlined in the call for submissions does not accurately reflect issues raised

by ministers at that meeting. The departments suggest that the scope and purpose of Proposal P1049 is recast to consider whether claims about carbohydrate content and the components of carbohydrate on alcoholic beverages are appropriate to support consumers to make informed choices consistent with public health advice. This is important to ensure the options considered and costs and benefits that are assessed reflect and address the key issues of concern.

Consumer understanding

Although noting the limitations in evidence, research presented in the literature review conducted by FSANZ (Supporting Document 1) suggests that consumers have a poor understanding of the nutritional qualities of alcoholic beverages. Of note is the lack of understanding that alcohol is the main source of energy in most alcoholic beverages. When considered in conjunction with consumer knowledge that carbohydrates and sugar do contribute to energy balance in non-alcoholic foods and beverages, and the belief that these nutrients cause weight gain, it is plausible that consumers may incorrectly use low carbohydrate and sugar claims as a proxy for low energy. This is supported by Australian research that found alcoholic beverages labelled with a low sugar claim were assumed to be lower in kilojoules by young women included in the study¹. Alcoholic beverages that are eligible to make carbohydrate and sugar claims are often not lower in kilojoules (due to the energy contribution from the alcohol component) and could cause energy imbalance in individuals as a result of incorrect assumptions about the energy content of alcohol consumed. The same study¹ also reported that the claims created a health halo and resulted in products being perceived as 'healthier'. Such perceptions are associated with increased consumption^{2,3} which may contradict public health advice regarding managing energy balance and limiting alcohol consumption.

The departments recognise the evidence directly linking carbohydrate and sugar claims on alcoholic beverages to consumer behaviours is limited. We suggest FSANZ considers the weight of evidence across a range of relevant studies and also explores opportunities to conduct further consumer testing to address evidence gaps.

The departments are particularly concerned about the use of claims on alcoholic beverages that are inherently low in carbohydrates and sugar. These claims do not provide useful information or support consumers to make informed choices where most of the category is eligible to make the claim. In such cases, the claims are more likely to perpetuate misunderstanding about the nutritional qualities of alcohol and potentially contribute to unhelpful narratives about carbohydrates being unhealthy or 'bad'⁴.

Alignment with policy guidelines and public health policy

¹ Cao, S., Tang, C., Carboon, I., Hayward, C., Capes, H., Chen, Y.J.M., Brennan, E., Dixon, H., Wakefield, M. and Haynes, A., 2023. The health halo effect of 'low sugar' and related claims on alcoholic drinks: an online experiment with young women. *Alcohol and Alcoholism*, 58(1), pp.93-99.

² Her, E. and Seo, S., 2017. Health halo effects in sequential food consumption: The moderating roles of health-consciousness and attribute framing. *International Journal of Hospitality Management*, 62, pp.1-10.

³ Berry, C. and Romero, M., 2021. The fair trade food labeling health halo: Effects of fair trade labeling on consumption and perceived healthfulness. *Food Quality and Preference*, 94, p.104321.

⁴ Wood, K., Carragher, J. and Davis, R., 2017. Australian consumers' insights into potatoes-Nutritional knowledge, perceptions and beliefs. *Appetite*, 114, pp.169-174.

The *Policy Guideline on Food Labelling to Support Consumers to Make Informed Healthy Choices* (which applies to alcoholic beverages) states that information on food labels to support consumers to align with dietary guidelines should, among other things:

- support consumers to manage energy intakes to assist with achieving and maintaining a healthy body weight
- not promote consumption of foods inconsistent with Dietary Guidelines
- take into account the nutritional content of the whole food, particularly risk nutrients identified in the Dietary Guidelines, so as not to mislead the consumer

The departments believe that continued permission for carbohydrate and sugar claims on alcoholic beverages is inconsistent with these principles on the basis that such claims could mislead consumers and promote alcoholic beverages as 'healthy' when dietary guidelines clearly provide advice to limit alcohol consumption. Additionally, the overemphasis on carbohydrate and sugar does not align with the principle of considering nutritional content of the whole food so as not to mislead the consumer.

Carbohydrate and sugar claims do not align with the aspirations and intents of broader public health policies such as the National Alcohol Strategy 2019-2026, which recommends policy options to minimise inappropriate marketing of alcohol, and the National Preventive Health Strategy 2021-2030, which includes a policy goal to restrict the promotion of alcohol to minimise alcohol-related harm.

Claim proliferation

The departments note that carbohydrate and sugar claims were previously limited to alcoholic beverages such as beer, cider, ready-to-drink alcoholic beverages, seltzers and other alcoholic mineral waters and kombucha. However, it appears that the use of these claims has recently extended to products which are inherently low in carbohydrates and sugars such as wine⁵. The departments are concerned that claims applied to such products may encourage other manufacturers within the category to apply similar claims in order to regain competitive advantage. This may create a situation where all products within the category carry a similar claim, which would not support consumer nutrition knowledge or informed choice.

Questions posed to submitters:

- 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?**

The departments have no information to provide.

⁵ <https://au.purethewinery.com>

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?

The departments have no information to provide.

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.

The departments have no information to provide.

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?

The departments have no information to provide.

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

The departments disagree that a benefit of option 2 is the provision of information to support informed consumer choice. This is because more information does not necessarily result in better consumer understanding. As noted in our earlier comments, carbohydrate and sugar claims are likely to be poorly understood by consumers and add little value when applied to alcoholic beverages inherently low in these nutrients. However, further research may be required to accurately measure the impact of claims on consumer understanding and behaviours to estimate associated costs and benefits.

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

The health implications and associated costs of alcohol consumption due to the health halo associated with the claims should also be considered. The costs should include the impact on people experiencing alcohol dependence, which as high-volume consumers of alcoholic beverages, are more likely to be exposed to any harmful consequences of misleading claims⁶.

⁶ Livingston, M. and Callinan, S., 2019. Examining Australia's heaviest drinkers. Australian and New Zealand journal of public health, 43(5), pp.451-456.