



Submission to
Food Standards Australia & New Zealand
on
P1049 – Carbohydrate and sugar claims on alcoholic beverages
September 2023

About the Brewers Guild of New Zealand

The Brewers Guild of New Zealand (BGNZ) represent over 80 breweries of all shapes and sizes throughout New Zealand from the largest of breweries in New Zealand, to small microbreweries. The Brewers Guild of New Zealand is the largest collective group of breweries in New Zealand, and 68% of our members are micro-small producers who produce less than 200,000 litres of beer per year.

Our members represent not only the full scale of the New Zealand brewing industry they also represent businesses across all manner of geographical locations – from central Auckland to the middle of the Mackenzie Country.

Many of our member businesses operate tap rooms, small local bars, social venues and restaurants of a larger scale, all of which are often considered core parts of their communities.

To give some scale to our industry and our membership base*:

- The brewing industry contributed \$3.3B to the NZ Economy in 2022
- Brewing provided the Govt with \$896M in taxes (estimated and across GST and Excise)
- There are around 200 Breweries in New Zealand
- The Brewing industry supports thousands of jobs throughout New Zealand

*(*Information sourced from 2022 Brewing in New Zealand Report, produced by NZIER commissioned by the Brewers Association of New Zealand)*

The Brewers Guild of New Zealand was created to support and give a collective voice to the vibrant, diverse, and socially responsible Kiwi brewing industry.

*This submission has been prepared on behalf of the Brewers Guild of New Zealand, by Melanie Kees, Executive Director of the Brewers Guild. Contact details are: 0275 460 888 or email melanie@brewersguild.org.nz.
The Brewers Guild of New Zealand, PO Box 1023, Christchurch 8140, New Zealand.*

Background context for consideration

Thank you for the opportunity to provide feedback on Proposal P1049 – Carbohydrate & sugar claims on alcoholic beverages. As representative of many small beer producers in New Zealand it is important that we represent their needs in regulatory matters, particularly those that may have a significant impact on their businesses, now or in the future.

The brewing industry in New Zealand continue to face serious challenges. Increased costs, supply chain issues, wage increases, and the current economic climate (cost of living crisis) mean that business is hard, and in some cases, it already appears that it is impossible to survive these unprecedented economic and regulatory pressures.

Not only are most of our members operators of small businesses, but they are also passionate about their craft, and, while their output might be small, they produce more many more individual products each year than other beverage manufacturers. We have members who have produced more than 100 SKU's in the past 12 months, so any regulatory changes to labelling have the ability to cause major financial impact to these businesses.

We ask that you take all of these into consideration as part of our submission.

The Brewers Guild of New Zealand wish to make the following comments on FSANZ Proposal P1049 – Carbohydrate and sugar claims on alcoholic beverages:

Thank you for the opportunity to provide feedback on Proposal P1049 – Carbohydrate & sugar claims on alcoholic beverages. As a representative of 85 beer producers in New Zealand we welcome the opportunity to be their voice.

Regarding the options that FSANZ have put forward in the Call for Submissions (CFS):

Option 1:

The Brewers Guild of New Zealand are supportive of OPTION 1 – maintain the status quo.

This option maintains the current state where claims of low/no sugar continue as they are, continuing to provide relevant and factual information to consumers in a format that they are used to. This option also has the least impact on producers, meaning that there will be no negative financial impact which is an important consideration.

Furthermore, we also support OPTION 1 because in SD1 it clearly states that there is no clear evidence to suggest that sugar and carbohydrate claims on alcoholic beverages affect consumers' level of consumption of alcoholic beverages, and thereby affect the protection of public health and safety.

Also, stated in SD1, there is an overall decline in consumption of alcohol despite there being increased nutrition content claims about both carbohydrate and sugar on alcoholic beverages in the marketplace since 2017.

There appears to be little evidence for the need to change the status quo.

Option 2:

The Brewers Guild of New Zealand, would, in the absence of OPTION 1 also endorse OPTION 2 – clarify the existing permission to make nutrition content claims about carbohydrate by including an express permission in the Code to make nutrition content claims about sugar on food that contains more than 1.15% ABV – however we would only support this option with an amendment.

The Brewers Guild requests that for any change to the code that may impact and require changes to labelling, we request flexibility in the format for providing information, whether that be through iconography or a QR code. We have requested the same flexibility in our submission for energy labelling.

We do, however, question the need for Option 2 when there is little evidence suggesting that a change to the code would help consumers make more informed choices, or affect their level of consumption of alcoholic beverages and thereby affect the protection of public health & safety.

Option 3:

The Brewers Guild of New Zealand DOES NOT SUPPORT OPTION 3– Remove the permission in the Code to make nutrition content claims about carbohydrate on food that contains more than 1.15% ABV.

Question for 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 Brewers Guild are not aware of any evidence that suggested that nutrition claims about carbohydrate and/or sugar on alcoholic beverages affects consumers level of consumption of alcoholic beverages.

We refer to the submission document where it is noted that much of the research is the result of 'low quality' studies and agree there appears to be little or no evidence supporting a, b or c above.

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?

No, we are not aware of any studies that sufficiently examine the effect of nutrition content claims about carbohydrate and/or sugar when consumers make a choice between difference types of alcoholic beverages.

The Brewers Guild does not have the funds to support or undertake such research.

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.

We are unable to comment on the proposed estimates, however, would like to see more work with industry on the potential costs to businesses to implement any proposed changes. The Brewers Guild is happy to support and facilitate this with our members to help inform.

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?

No

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

The Brewers Guild agrees that the net benefits for each option outlined is balanced, however as our preferred option is OPTION 1, we determine this, status quo, is by far the best option in regard to costs and benefits.

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

It is important to note that should FSANZ choose Option 2 or Option 3, if there were costs that impacted our members, there could be a price increase that is passed onto the consumer to ensure that producers, who are already suffering from cost increases across the board, do not have to absorb 100% of this cost.

If producers are in a position that they cannot pass on the cost due to contractual arrangements with retailers this could have a negative impact on their business and cashflow and cause the business to no longer be viable.

If there were changes to labelling, we would request that a longer transition period (longer than three years) is implemented to reduce the impact on small breweries.

Thank you for the opportunity to provide input into this process.

Please feel free to get in touch should you wish to discuss further.

