

## **Proposed Pregnancy Labelling: Submission**

### **A. Name and contact details (position, address, telephone number, and email address);**

Passel Estate Pty Ltd

PO Box 120, Margaret River WA 6285

### **B. For organisations, the level at which the submission was authorised.**

Owners.

### **Comments to specified sections of P1050 Call for Submissions (CFS) report:**

### **C. Summary (optional but recommended if the submission is lengthy)**

### **D. Literature review on the effectiveness of warning labels (section 3.1.1 of CFS)**

We understand that the literature review fails to take examples from studies directly relating to pregnancy warning labels which is disappointing.

Surely it would have been more appropriate to note that there is a lack of evidence to support elements of the proposed pregnancy warning label, rather than for FSANZ to attempt to draw comparisons between pregnancy warnings and warning labels for other conditions. Comparing a general health warning with a pregnancy warning label is not comparing like with like, as each elicits a different response from the reader.

### **E. Consumer testing of warning statements (section 3.1.2)**

The key problem here is that the phrase “WARNING STATEMENT” appeared on all of the options put forward for public consultation. This phrase extends beyond the mandate given to FSANZ by the Ministerial Forum, which asked FSANZ to develop a pregnancy warning.

Furthermore, while we concede that uptake of the existing voluntary DrinkWise Australia pregnancy warning label was not as comprehensive as we would have liked, we are confident that the voluntary label had good recognition in the community. It is therefore perplexing that FSANZ chose not to test the DrinkWise warning label in its consumer testing process. By failing to do this, FSANZ does not have a baseline model from which to assess costs and benefits, and is immediately considering a warning label that is significantly more prominent and costly than the voluntary label, which is performing well and which Passel Estate currently uses on all of our labels.

### **F. Pictogram (section 3.2.2.2)**

We support the use of the pictogram in general, and currently use a pictogram on our labels, but we do not agree with the proposal to mandate the red circle and strike-through.

- Global recognition of the pictogram we are using is already strong and widespread.
- Adding colour adds cost to our label design, and FSANZ’s cost estimates are too low.
- This is an unnecessary additional financial burden on our business, which in common with most small, privately owned producers, is already under huge cost pressure.

### **G. Warning statement (section 3.2.2.3)**

This is an important point of principle.

- How can FSANZ on the one hand say that “any amount alcohol can harm your baby” on the proposed warning statement, but on the other hand say that alcohol under 1.15% ABV is ok? This is inconsistent and confusing to pregnant women, and brings the validity of the warning statement into question.
- As a second point of principle, FSANZ must ensure that the text of the warning statement is supported by clear and peer reviewed evidence.

#### **H. Design labelling elements (section 3.2.2.4)**

- With regard to the use of “Signal word(s)”
  - It is very clear the Ministerial Forum asked FSANZ to develop a “Pregnancy Warning” and not a “HEALTH WARNING”. This is a gross example of regulatory overreach by FSANZ and must be removed.
  - The use of the phrase “HEALTH WARNING” not only goes well beyond what was agreed by ministers, but will be used as a precedent by those who seek to demonise wine producers to immediately seek other “warnings”. One can easily imagine the box being expanded in a year or two to include cancer warnings, for example, if anti-alcohol advocates have their way.
  - Furthermore, if the objective of this exercise is to raise awareness about drinking during pregnancy across the broader community, surely using the signal words “Pregnancy Warning” would be a more targeted and direct way to achieve this.
  - Given the widespread understanding across society that women should not drink during pregnancy, and the widespread existing recognition of the pictogram in Australia, we question why so called “signal words” are required at all.
- With regard to the proposed requirements relating to size:
  - There should be no exemptions from the proposed design beyond the proposal to allow containers 200ml and less to only use the pictogram.
    - To exempt containers under, for example, 400ml, would mean wine would carry the full warning label, while others (beer, RTDs etc) would only carry a pictogram. This would be an unjustifiable and perverse outcome.
  - FSANZ pays a lot of attention to the need to use size as a means to gain the consumer/purchaser’s attention. In this regard, FSANZ needs to please consider:
    - Why a pregnancy warning would be larger (and in red) than a mandatory allergen label, which could lead to severe illness or death. FSANZ has said that people with severe allergies manage their risk well by knowing to look for allergen warnings on labels. While this may be true, surely it is also true that there is widespread understanding across society that pregnant women should not drink when pregnant?
    - While a larger label maybe noticed more easily, what evidence is there to suggest there will be a measurable and material benefit to consumers, and how will the cost-benefit analysis be made clear? Does FSANZ really expect a dramatic difference in the amount pregnant women drink when they are pregnant as a result of a larger warning label?
    - A larger mandatory warning statement may lead to a situation in which important messages relating to drinking in moderation will no-longer be placed on the label, due to the limited space for mandatory statements and commercial label requirements.
    - Wine, perhaps more than other alcohol beverages, relies on the back label of the product to tell the consumer about variety, vintage, provenance and

the like. In a highly competitive market, this matters and every square millimetre of label space is vital to your brand. An unreasonably large warning label erodes our ability to tell the story of our wine and ensure our buyers are getting what they expect when they choose to purchase our wines.

- As stated in response to section F:
  - o Adding colour adds cost to our label design, and FSANZ's cost estimates are far too low.

**I. Summary of proposed pregnancy warning label design (section 3.2.2.5)**

See above.

**J. Beverages to carry the pregnancy warning label (section 3.2.3)**

As stated in response to item G, how can FSANZ on the one hand say that “any amount of alcohol can harm your baby” on the proposed warning statement, but on the other hand say that alcohol under 1.15% ABV is ok? This is inconsistent and confusing to pregnant women, and brings the validity of the warning statement into question.

NOTE: this argument is designed to highlight the problem with statement, as opposed to seeking pregnancy warning labels on something like Soy Sauce. It highlights the need for a practical and workable solution.

**K. Application to different types of sales (section 3.2.4)**

**L. Application to different types of packages (section 3.2.5)**

**M. Consideration of costs and benefits (section 3.4.1.1 of CFS)**

Australian Grape & Wine's initial concerns with which we fully agree:

- The cost benefit analysis suggests that “only a small proportion of FASD cases need to be prevented to offset the costs of label changes to industry” (page 1 of consultation paper). While this may be true, the cost-benefit analysis does not adequately consider or forecast the likely reduction in FASD as a result of the proposed change, beyond the reductions we are already seeing in Australia.
- The Australian Institute of Health and Welfare's National Drug Strategy Household Survey of 2016 is the pre-eminent set of government statistics relating to alcohol consumption in Australia. On page 115 of the report it states “Since 2007, the proportion of women consuming alcohol during pregnancy has declined and the proportion abstaining has risen” (<https://www.aihw.gov.au/getmedia/15db8c15-7062-4cde-bfa4-3c2079f30af3/21028a.pdf.aspx?inline=true>)
- Furthermore, it does not consider alternative arrangements to achieve awareness in Australia, such as investing further in educational initiatives and public awareness campaigns. While Australian Grape & Wine supports such campaigns, we also firmly believe that most Australian's understand the risk of drinking during pregnancy, as it is the first thing their medical professionals say to them upon finding out they are pregnant (along with quitting smoking, and avoiding certain foods like raw fish and soft cheeses – which we add, are not required to carry a warning label).

What we would like to see is a measured, targeted evidence-based approach, which mandates a warning label similar in size, colour and design to the voluntary label, and accompanied by a suite of other awareness raising materials. There is no evidence to suggest that colour and size will do anything more than capture a slightly higher degree of the purchaser or consumer's attention when holding the product. And there is no evidence presented to suggest that a larger format or red colour scheme will have a significant impact on behaviours.

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**N. Transitional arrangements (section 4.1 of CFS)**

- FSANZ must ensure the proposed labelling requirements do not capture museum stock, or wines released with significant bottle age.
- FSANZ should also ensure that if other labelling changes are currently being considered, transitional arrangements must be coordinated to ensure wine businesses only have to change their labels once, to incorporate the multiple required amendments. We cannot afford to have to make one change, and then another a year later.

**O. Draft variation to the Australia New Zealand Food Standards Code (Attachment A of CFS)**

**Other comments (within the scope of P1050 – see section 1.5 of the CFS)**