

25 October 2019



SUBMISSION: P1050 - Pregnancy warning labels on alcoholic beverages

I have not seen you for a number of years now but have watched with great interest as your political career has grown. It seems like several lifetimes ago that we trained with Al Gore and the ACF. While you have been fighting the good fight for health and the environment, I worked within the oil and gas industry to drive environmental policy. In 2017 I was made redundant as oil and gas companies don't really need people driving environmental policy (said tongue in cheek) and I designed and built Australia's most sustainable brewery instead. Lowering our footprint has gone into every decision and I am very proud of what we have achieved. You should come visit.

I can tell you that operating a small, beer business in a country that is dominated by duopolies makes it nearly impossible to compete. At every turn there is another tax or cost incurred, or a hinderance to getting to the market. After two years of working 7 days per week, I have not made a single dollar from my business, rather I pay each month to keep it afloat while the government profits handsomely from my business.

There is currently a proposal to mandate a new "Health Warning" Label pertaining the risk to pregnancy from drinking. Our products currently have the "Drink Wise" and no drinking while pregnant logo on our cans. The new proposal will require the logo to be larger and in a new red colour which will require all our labels to be redone at great expense. I am currently in the middle of getting all our labels redone to make the seemingly minor text change to include Queensland in the 10c container refund scheme. The change of a couple words required \$500 from my graphic artist to change all the labels, and \$400 from my printer per label to re-set the blocks (\$2400). I now have ~ 20,000 labels that I cannot use because of a minor text change. I have just gotten the first two labels of 7 redone when the new requirements for the pregnancy warning came in.

As a small, family-run, craft beer producer, I take great pride in how my product is presented to appeal to my customers. We have won a silver medal at the national beer competition for one of our can labels.

I find it extraordinary that Food Standards ANZ (FSANZ) are proposing a very significant and costly label change when some small changes to what is being proposed would have a similar impact at much lower cost.

I presently have 21 SKUs. I estimate it will cost me in excess of \$70,000 to comply with this proposal. Brisbane City Council has limited my production to 200,000 litres per year. With cans, there is about a 10% margin on our product as a small producer. To pay for the extra \$70,000 we would need to sell an extra \$700,000 in cases of beer which would put us over our production limit...just to break even! It is not mathematically possible for us to take on this cost because we are not allowed to brew that much.

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Not only would each label have to be re-done, but monochromatic printing of boxes will no longer be sufficient, and they will all have to be re-designed at a much higher cost per box. I simply don't have that money set aside for this additional cost. If I did have that money available, I would use it to employ marketing and sales people so I could one day not work a 70 hour week for free to send the government tens of thousands of dollars in excise tax per month.

I implore you to see common sense and make the following changes to the FSANZ proposal:

1. Rather than mandate colours, introduce contrast colour guidelines the same as is required for other mandatory information
2. Change 'HEALTH WARNING' to 'PREGNANCY WARNING'. Health warning is misleading and alarming to my customers
3. Increase the threshold for vessels to only be required to display the pictogram from 200mL to 400mL, with the full label displayed on secondary (6 or 4-pack) and tertiary (carton) packaging. The full label is simply too large to be accommodated on many labels on containers up to 400mL.
4. Allow some amount of time to clear out existing valuable label and box stock that has a currently approved "Drink Wise" labelling system.

These changes are sympathetic to my overall label design, don't impose too many costs through additional colours, don't steal as much valuable label real estate, and don't make all my customers think they are drinking a harmful substance]

Yours sincerely

Cc: Food Standards Australia and New Zealand
Via email: submissions@foodstandards.gov.au

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