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**Submission to Proposal P1050:
Pregnancy Warning Labels on Alcoholic Beverages**

26 October 2019

Introduction

Spirits & Cocktails Australia welcomes the opportunity to make a submission to proposal P1050: Pregnancy warning labels on alcoholic beverages.

About Spirits & Cocktails Australia

Spirits & Cocktails Australia is an incorporated association with a vision to promote and protect a spirits sector which improves Australia's drinking culture to create social and economic opportunities for future generations.

The association represents the interests of spirits drinkers and all involved in the production, marketing and sale of spirits in Australia. Our members, who represent over 65% of the Australian spirits sector, are:

- Bacardi-Martini Australia
- Beam Suntory
- Brown-Forman Australia
- Bundaberg Distilling Company
- Diageo Australia
- Moët Hennessy Australia
- Pernod Ricard Australia
- Remy Cointreau
- William Grant & Sons Australia

Executive summary

Spirits & Cocktails Australia supports the Alcohol Beverages Australia (ABA) submission that mandating the DrinkWise labelling scheme is the most effective way to achieve the primary objective of P1050 and that there is no evidence to suggest that the proposed labelling scheme will provide any benefit over and above the DrinkWise labelling scheme.

We agree that there is a real chance that there will be unintended consequences from switching from the DrinkWise labelling scheme to the proposed label that have the potential to cause significant consequences for pregnant women and their unborn children.

The three week consultation process is insufficient to allow for meaningful review and input into the labelling process

While we understand that the Food Forum has asked that P1050 be considered expeditiously, we do not believe that this was intended to come at the cost of stakeholder consultation.

The three week timeline for consultation is particularly short considering this is first time that FSANZ has made the evidence base available for comment and provided the specifications of the label. Member based associations such as Spirits & Cocktails Australia have a need to consult with their members and in this case the timing has severely constrained our ability to do so.

We note additional information on cost and benefits was only released on Thursday 24 October with a closing date for submissions being Sunday 27 October (effectively 25 October).

The consultation paper fails to meaningfully evaluate the option of mandating the current industry voluntary labelling approach

The paper acknowledges there is an extremely high level of awareness of the dangers of drinking when pregnant. It recommends a solution with costs of up to \$611m over two years despite acknowledging that:

“There was no strong evidence to suggest that where warning labels have been mandated there has been an impact on levels of consumption.”

The only measures that will prevent FASD are those which impact consumption of alcohol by pregnant women.

There are even stronger statements in the DRIS:

“However the cost of FASD depends on the severity of FASD, and international studies suggest heavy drinkers are least likely to be affected by mandatory labelling.”

and

“It is recognised that health warning labels on alcohol, as an isolated intervention, do not lead to behaviour change”.

Despite these statements, the consultation paper justifies the huge cost of its recommendation by linking the benefits from a reduction in FASD to labelling, ignoring that there is no evidence that warning labels lead to reduced alcohol consumption.

An appropriate evaluation of the evidence should have concluded that the significant cost of any mandatory labelling scheme is not justified on the available evidence that warning labels do not alter drinking behaviour.

However, given the Ministerial decision FSANZ should have prioritised the least cost mandatory solution which is clearly adopting the current voluntary scheme.

The voluntary pregnancy labelling scheme has been very effective

The evaluation of the voluntary labelling initiative to place pregnancy health warnings on alcohol products commissioned by the Australian Government, found:

- 95% of those surveyed understood the pregnancy pictogram; and
- 93% understood the text *It's safest not to drink while pregnant, get the facts, drinkwise.org.au*.

Further, the results reported from the 2016 National Drug Strategy Household Survey found 98.8% of women either abstain or reduce their alcohol consumption when pregnant (up from 96.6% in 2004), indicating high levels of awareness of alcohol harm to the unborn child

If the current scheme was made mandatory additional costs would only be imposed on those small number of industry players who are not currently supporting the voluntary scheme. Such an approach would also have opened up the opportunity for speedier implementation. Unfortunately, despite the strong feedback given to this effect during the targeted consultation process, the current consultation paper did not evaluate this option.

The recommended solution is likely to be open to successful challenge through the World Trade Organisation (WTO)

WTO rules state that “new measures must not introduce ‘unnecessary trade costs’ or barriers to trade, especially if the stated objective of the measure—such as protecting public health—could be achieved with a less costly alternative”.

While Australia and New Zealand governments may argue for an exemption under public health grounds, they would need to prove the measure is both ‘proportionate’ and ‘effective’.

We believe that the proposed label design as the highest cost option available is not ‘proportionate’; and, as stated is ineffective in changing the behaviour of the at-risk group.

For more information on this submission, contact:

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