



**BREWERS**  
ASSOCIATION

## **Submission**

# **FSANZ Proposal P1050 - 'Pregnancy Warning Labels on Packaged Alcoholic Beverages'**

27 October 2019

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## About the Brewers Association

The Brewers Association of Australia (Brewers) is the peak body representing Australia's premier beer makers.

The Association and its members – Carlton & United Breweries, Lion Beer Australia and Coopers Brewery – have a longstanding commitment across a range of activities to promote responsible consumption of alcohol and minimise harm associated with alcohol misuse.

The beer sector makes a significant investment in cultural change and education initiatives across the Australian community through DrinkWise Australia. Brewers members make the largest financial contribution to DrinkWise Australia's operations at \$2.6 million a year.

DrinkWise Australia, a not-for-profit organisation, is achieving success in delivering a healthier and safer drinking culture through its award-winning national information and education campaigns. It also provides practical resources to help inform and support the community about alcohol use, including Foetal Alcohol Syndrome Disorders (FASD).

In 2018, DrinkWise Australia partnered with the Federal Government in launching a two-year FASD awareness initiative across Australia, providing access to educational resources to over 250 rural and regional medical practices.

Australian actors Deborah Mailman and Aaron Pedersen feature in advertisements that have created further awareness of the preventable disorders and reaffirm the risks of drinking alcohol while planning a pregnancy, during pregnancy or breastfeeding.

More information on this initiative is available online at: <https://drinkwise.org.au/our-work/drinkwise-fasd-awareness-program-partners-with-federal-government-for-new-education-materials-featuring-deborah-mailman-and-aaron-pedersen/#>

Brewers members have been early adopters of pregnancy warning labels, achieving 100% coverage of the voluntary warnings across their entire product range since 2014.

With 84 per cent of all beer sold in Australia being made in Australia, the brewing sector underpins more than 103,000 full-time equivalent Australian jobs and generates \$16.5 billion a year in economic activity – accounting for around 1 per cent of national GDP.

The industry makes a substantial contribution to the economy through the manufacturing, hospitality, retail tourism and agricultural sectors.

Agriculture is a major contributor to the success of Australian beer, sourcing 200,000 tonnes of barley and 500 tonnes of hops for domestic beer production from Australian farmers each year.

## Introduction

The Brewers Association of Australia (Brewers) welcomes the opportunity to comment on Food Standards Australia and New Zealand (FSANZ) proposal P1050 - 'Pregnancy Warning Labels on Packaged Alcoholic Beverages'.

Brewers has been constructively engaged with this process since it began in October 2018. We have made submissions to the FSANZ process and participated in roundtables with FSANZ and stakeholders.

Australia's major brewers – Carlton & United Breweries, Lion Beer Australia and Coopers Brewery – represent some 90% of beer sales in Australia. All of the products they produce have carried the pregnancy warnings on-label since 2014.

As early adopters of pregnancy warnings, the major brewers have led the way through significant effort to be 100% compliant with voluntary pregnancy warning labelling.

Our members recognise the impact of Fetal Alcohol Spectrum Disorder (FASD) has on individuals, families and communities. Our view, and our practice, is that a pregnancy warning labelling regime can be valuable as a complementary measure to support well-resourced, targeted interventions for at-risk cohorts and educational measures as part of an effective community-wide response to FASD.

A warning label can function as a trigger to remind pregnant women and the community of advice not to consume alcohol while pregnant, which is the objective of this measure.

At the same time, a label of this nature should not be the sole or primary information source or a substitute for medical advice, and the labelling measures proposed should be proportionate to this objective.

In this submission, we will focus upon the substantive aspects of implementation. We contend that some changes to the design elements will improve the proposal, making it much clearer who the target of the warning is directed towards and ensuring the scheme is less disruptive to implement, while fulfilling its function as a trigger/reminder.

## The Proposal

Brewers members were early adopters of pregnancy warning labels. Pregnancy warnings are contained on all 804 stock keeping units (aka SKUs) produced by our members.

Australia's major brewers – Carlton & United Breweries, Lion Beer Australia and Coopers Brewery – represent some 90% of beer sales in Australia.

All of the products they produce have carried pregnancy warnings on-label since 2014. Indeed, Australia's major brewers have led the way through significant effort to be 100% compliant with voluntary pregnancy warning labelling.

Brewers members are proud that since adopting pregnancy warning labels in 2014 there has been resounding evidence of the heightened awareness of the labels already in use.

In 2017, DrinkWise Australia, which is doing important, proactive and pertinent work in combating FASD directly in the community, commissioned consumer insights agency GalKal to undertake research into awareness and understanding of the voluntary pregnancy warning



labels on alcohol products. The findings clearly demonstrate 89% awareness among younger drinkers (aged 18-24) and 74% across the target population of ages 18-40.

That said, we understand that FSANZ proposes introducing a written warning to sit alongside the existing pictogram. With this in mind, Brewers submits improvements to the proposal that would allow the label to fulfil its objective as a reminder to a specific cohort, while avoiding major unintended consequences upon implementation.

#### **1. Change ‘health warning’ to ‘pregnancy warning’**

Brewers contends that mandating the phrase “HEALTH WARNING” is not justified and would be unhelpful in achieving the trigger function of the proposed warning statement. If a two-word signal is required, then our view is that “PREGNANCY WARNING” is more accurate and appropriate because it targets pregnant women directly. We submit that it is self-evident that women who are pregnant will react and engage more strongly to a warning directed at them, as opposed to a general health warning.

#### **2. Small vessel exemptions should be expanded to containers of up to 400mL**

For practical purposes, only the pictogram should be required on containers 400mL and below. These are small vessel containers with limited space with existing mandatory requirements traversing a range of other important information, including alcohol by volume, standard drinks, allergen warnings, as well as production sources and consumer complaint direction. The pictogram, by itself, can stand clearly and prominently on these small vessels based on the size proposed by FSANZ. As FSANZ identifies on page 24 of its Call for Submissions, research concludes the *“pictogram was understood to mean not to drink alcohol...”*.

#### **3. Change mandated colours to a contrast colour scheme**

Brewers considers that there is no justification for the proposed departure from existing practices to mandate colours for the proposed pregnancy warning statement. Set colours could be counter-productive as they would be less visible (for instance, on a red background), would increase costs for no benefit and could threaten the viability of smaller producers and international trade. A contrasting, bordered message will still fulfil the function of the proposed warning label as a trigger without an unnecessary departure from existing regulatory practices. The existing Drinkwise Australia guidelines provide a workable template from which FSANZ may draw to improve its current proposal.

#### **4. Minimise costs by coordinating multiple label changes**

FSANZ should be cognisant of other proposed label changes in setting timeframes for implementation of pregnancy warning labels. Failure to do this will result in significant multiplication of cost to consumers.

#### **1. Change ‘health warning’ to ‘pregnancy warning’**

Mandating the phrase “HEALTH WARNING” is not justified and would be unhelpful in achieving the trigger function of the proposed warning statement. If a two-word signal is required, we submit the term “HEALTH WARNING” is too general in nature and should be replaced with the term “PREGNANCY WARNING”, which makes it much clearer who the target of the warning is directed towards.

### Adherence to Ministerial Forum direction

The original direction from the Ministerial Forum on Food Regulation did not mandate the Health Warning phrase, nor the use of so-called signal words. Instead, the Communiqué from the Ministerial Forum records its decision in the following terms:

*“The Forum agreed that, based on the evidence, a mandatory labelling standard for pregnancy warning labels on packaged alcoholic beverages should be developed and should include a pictogram and relevant warning statement.”*

Therefore, the current FSANZ proposal of “Health Warning” goes far beyond the direction of the Ministerial Forum.

While the Decision Regulation Impact Statement (DRIS) made some recommendations about exploring certain aspects of label design, including signal words, this is not in itself a direction or Policy Guideline from the Ministerial Forum. Indeed, it appears this reference is a creation of the bureaucrats authoring the DRIS, not ministers.

The advice in the DRIS was to explore different warnings. In fact, FSANZ did not conduct consumer testing on any range of signal words other than “HEALTH WARNING” for all its consumer-tested statements.

FSANZ acknowledges, on page 29 of its Call for Submissions, that it has not tested “Pregnancy Warning”, while acknowledging that other warnings, such as “Pregnancy Warning”, may be appropriate.

### Limited evidence for HEALTH WARNING

While FSANZ undertook market research to test consumer responses to a limited range of label configurations, it only tested one set of signal words: “HEALTH WARNING”. The reasons that FSANZ gave for arriving at this particular set of signal words and failing to test any others are not based on any conclusive scientific evidence.

No studies were identified by FSANZ that tested this precise form of words in the context of pregnancy warning labels. The general studies relied upon by FSANZ broadly indicated that signal words can help attract attention, but the general studies do not give a conclusive or even a strong indication that the phrase “HEALTH WARNING” would be more effective in this context.

Brewers considers that the failure to test a number of options is a flaw in FSANZ’s process and, at minimum, calls into question the validity of the recommendation regarding mandating the words “HEALTH WARNING”.

We submit that “Pregnancy Warning” best targets pregnant women and couples contemplating pregnancy, which better meets the objective of informing the broader community because it is relevant and important information for them.

### HEALTH WARNING is not aligned with current practice

The Food Standards Code prescribes a number of warning and advisory statements for different risks related to food. None of these statements include signal words and, specifically, none bear the phrase “HEALTH WARNING”.

As is the case with mandating colours, it is difficult to see any objective reason to privilege one type of warning statement over any other – they all deal with risks or conditions. The fact

that this also falls outside the scope directed by the Ministerial Forum, nor is it evidence-based, makes this departure from current practice even more peculiar and unjustifiable.

### **HEALTH WARNING is too broad**

Brewers contends that the phrase “HEALTH WARNING” is not accurate and a misguided form of wording. The proposed warning statement is intended to be a trigger for awareness of the risks associated with drinking while pregnant.

It is targeted towards a specific harm affecting a specific cohort of the community. It is not a general health warning. While a secondary objective is as a trigger for the wider community, this is still only in the context of consumption whilst pregnant and not a general health warning.

The clear direction from the Ministerial Forum was for FSANZ to develop a proposal for “pregnancy warning” labels, and not to develop a generalised “health warning” label.

If it is considered necessary to include signal words, Brewers proposes that ‘HEALTH WARNING’ be replaced with “PREGNANCY WARNING” to avoid confusion, to ensure the warning is correctly targeted and to accurately reflect the guidance provided by the Ministerial Forum.

## **2. Small vessel exemptions should be expanded to containers of up to 400mL**

FSANZ is proposing that containers up to 200mL be exempt from carrying the full label. Instead, it is proposed that they would only be required to carry the well-established pictogram.

Brewers supports this pragmatic approach. However, it does not go far enough. We propose that this exemption be expanded to containers up to 400mL.

That is, the pictogram, which is unambiguously clear, should only be required for these smaller vessels. There are numerous examples of the proposed FSANZ label simply not fitting on many existing beer and RTD bottle labels in the 200mL to 400mL range.

For beer and RTDs, the full pregnancy warning (pictogram and words) would be shown on all 6-pack, 4-pack and carton packaging. Over 95% of packaged beer in Australia is sold in these packaged configurations.

As such, the pregnancy warning is far more important, prominent and visible at the point-of-sale on this 6-pack, 4-pack and carton packaging, than for singular small vessels.

## **3. Change mandated colours to a contrast colour scheme**

The label should not mandate colours.

Set colours are likely to be counter-productive as they would be less visible (for instance, on a red background) and will increase costs for consumers for no benefit.

We submit sensible colour contrast guidelines should be developed. The existing DrinkWise Australia guidelines provide a workable template.

Proposal P1050 seeks the mandatory use of three colours – black, white, and red (PANTONE 485) – for the pregnancy warning. This is a significant, unwarranted and unexplained



departure from the approach taken elsewhere in the Food Standards Code. The General Legibility Requirements set out in Standard 1.2.4-24 are as follows:

*“If this Code requires a word, statement, expression or design to be contained, written or set out on a label—any words must be in English and any word, statement, expression or design must, wherever occurring:*

- (a) be legible; and*
- (b) be prominent so as to contrast distinctly with the background of the label.”*

In short, mandatory label information must be legible, prominent and contrasting. There are no further requirements with regard to colour.

Even in the case of the mandatory warning statements in the Food Standards Code, there are no requirements around colour beyond the requirement for contrast.

For all other mandatory or regulated information on all other food products, the requirements for legibility, prominence and contrast have been sufficient. In practice, the example below shows that if these requirements are properly implemented, then the contrast is effective in making the information on the label clearly legible:



The ability to use any colours provided that they are legible, prominent and contrasting is extremely important to brewers, as there are physical limitations that constrain how many colours can be applied to a label.

Beer labels are typically printed in one of three colour configurations: 4-colour, 6-colour, and 8-colour. These three configurations vary aesthetically and in cost. They are typically used by different segments of the beer market with different commercial requirements:



4-colour printing	<ul style="list-style-type: none"> <li>• Least expensive - favoured by some smaller producers</li> <li>• Key benefit: Low cost</li> <li>• FSANZ proposal would render these labels commercially unviable</li> </ul>
6-colour printing	<ul style="list-style-type: none"> <li>• Industry standard, moderate cost</li> <li>• Key benefit: Production at scale</li> <li>• FSANZ proposal would render these labels very plain</li> </ul>
8-colour printing	<ul style="list-style-type: none"> <li>• Higher cost, less common</li> <li>• Key benefit: Product differentiation through visual appeal</li> <li>• FSANZ proposal would significantly reduce visual appeal of these labels</li> </ul>

#### 4-colour labels

Four-colour labels are typically lower cost than labels printed with more colours. Industrial printers designed to print with four colours are also significantly cheaper to purchase than 6-colour or 8-colour printers.

For cost reasons, four-colour label printing is often preferred by producers at the smaller end of the scale. Some producers, such as small and medium producers, may even use 2-colour labels.

Mandating three colours, as proposed by FSANZ, would only leave one additional colour for label artwork. This would drastically constrain label artwork for 4-colour labels, who would be forced to print in black, red, white, and one colour of their choice.

This would likely be an untenable commercial outcome for producers using 4-colour printing. Most would either upgrade to 6-colour printing at significant expense or simply cease production.

This would then have flow-on impacts for printing companies that offered 4-colour labels. It appears that FSANZ has undertaken only very limited analysis of the economic impacts of their proposal on small producers and printers.

#### 6-colour labels

Labels that are printed with 6-colours are generally the purview of bigger producers.

Given the relative rarity of using 8-colour printing, 6-colour printing can be considered a 'hard ceiling' in terms of available colours when printing labels at scale.

Mandating three colours would reduce the number of 'free' colours available for label art to three when using 6-colour printing. This would have significant consequences for artwork and brand value.

Brewers members' entire stable of brands (and, undoubtedly, a significant number of independent brewers, wine and spirits producers) would require major art redesigns at significant cost.

Some brands that have been in existence for well over 100 years would be substantially altered.

Being able to work in only three colours would hamper producers' ability to compete using their labels (brands) – a major point of choice for consumers when assessing products.

### 8-colour labels

Labels that use 8-colour printing are typically designed with maximum visual impact in mind.

Mandating three colours would leave these labels with only five 'free' colours with which to design label art, a significant reduction from eight in terms of visual impact and appeal.

Under the FSANZ proposal, those currently using 6-colour printing may be forced to move to 8-colour labels to maintain brand awareness. These labels are more expensive and require much more complex and expensive printers to produce.

Again, it is evident that FSANZ has not considered these impacts in its assessments.

### Justification for mandatory colours

Brewers contends that prescribed colours are unlikely to be any more effective in achieving the trigger function of the warning label than the existing "legible, prominent and contrasting" requirement.

The case for mandating colours and departing significantly from the existing provisions of the Food Standards Code has not been made in the Call for Submissions.

The purpose of mandating colours is, purportedly, to attract attention and reinforce the warning nature of the message. However, the focus on attracting attention to the exclusion of other relevant considerations is disproportionate to the actual function of the proposed warning statement as a trigger.

The marginal benefit from mandating the colours, as opposed to the existing "legible, prominent and contrasting" standard, has not been considered in any practical depth in FSANZ's Call for Submissions. This is a significant omission given that it will result in substantial additional cost, loss of creativity and loss of brand differentiation.

The evidence reviewed by FSANZ largely considers only red/black combinations and is only suggestive of an impact on attention. It is by no means conclusive.

Other colour combinations were not tested for attention, nor labels designed to the mandatory "legible, prominent and contrasting" standard. Consequently, it cannot be asserted that there is any sufficient evidence to justify such a major cost burden, loss of creativity and innovation and departure from the existing provisions of the Food Standards Code.

FSANZ should also consider the impact of mandating a colour combination for one type of warning statement only, when there are, in fact, several mandatory warning and advisory statements specified in the Food Standards Code. There is no objective reason to privilege one type of warning statement over any other – they all deal with risks or conditions.

## Label change costs

Based on the proposal elements outlined in FSANZ Call for Submissions, analysis for Brewers three members alone puts the cost of compliance across their 804 SKUs at a minimum \$13.5 million, but likely ranging to \$30 million. These costs are outlined at **Attachment A**.

The range is due to several variables, including the number of labels and packaging configurations that would require review, the number of new labelling and/or packaging requiring redesign and production of new labels and packaging.

We contend a cost impost of up to \$30 million is conservative.

This, of course, does not include the 500-600 independent brewers label and packaging requirements, those of imported beers or the other beers made by other non-Brewers members.

## Trade impacts

It is important to consider the trade impacts of mandating colours for the proposed warning statement. At present, no major export destination or import source country for alcoholic beverages mandates a three-colour pregnancy warning.

Consequently, all imported alcoholic beverages entering New Zealand and Australia will be required to include a new label that is unique to those markets. Many exported alcoholic beverages will need to remove the Australia/New Zealand warning statement because it will be non-compliant for markets that have mandated their own pregnancy warning statement.

These are not insignificant consequences.

In the Call for Submissions, FSANZ claims:

*“Amending the Code to require a pregnancy warning label on packaged alcoholic beverages is unlikely to have a significant effect on international trade as currently importers of alcoholic beverages into Australia and New Zealand have to comply with local labelling requirements and similarly, Australia and New Zealand exporters have to comply with labelling requirements of the country to which they export.”*

While some parts of the label do need to be changed for products that are imported or exported, this does not mean that this is not an additional cost. And, over and above that reality, FSANZ does not appear to have given any consideration to the extraordinary impact of mandating colours.

In fact, it is not standard regulatory practice for most of our major trading partners in the alcoholic drinks sector to mandate label colours. Therefore, the changes proposed by FSANZ are not simply a matter of including or excluding a labelling element (difficult and costly of itself), but becomes a matter of the colour of the label itself, which takes on another order of magnitude in terms of cost and complexity.

In most cases, over-stickering is an impractical option, particularly for high volume products such as beer. Consequently, foreign producers will need to reconsider the whole colour scheme of their labels to accommodate the mandated three colours within the colour scheme that they have already established.

Producers might decide that the cost is prohibitive for the size of the Australian market or they will need to pass the cost on to the market.

While Brewers appreciates that FSANZ has made some enquiries with printers in Australia and New Zealand, these efforts in no way adequately capture the scope and nature of the changes that will need to be made.

To take the example of imported beer, in many cases the labelling is printed directly onto the bottle or can. Over-stickering is a practical impossibility given the nature of the production and packaging lines. Changing from a four to a six-colour label, for example, means significantly more than printing new labels; it means a change to the entire production line.

The largest global beer in Australia, Corona, would require over-stickering on all its bottles as they are fully imported. That is more than 200 MILLION bottles every year for one product!

The over-stickers would need to be applied manually to each individual bottle. The process cannot be automated as we must ensure that no label impacts or covers other mandatory messages.

Finally, it should be noted that under World Trade Organisation rules technical regulations of this nature must be scientifically justified – even where they serve a public health function.

Serious questions emerge from the FSANZ proposal as to whether the evidence-base supplied by FSANZ provides sufficient justification for the imposition of the colour requirement.

We submit that an improvement to the current proposal be the development of sensible colour contrast guidelines. The existing DrinkWise Australia guidelines provide a workable template.

Colour contrast guidelines would result in the same desired outcome, while avoiding an array of practical and costly impediments.

#### **4. Minimise costs by coordinating multiple label changes**

FSANZ has recognised that there is significant cost involved in changing labels and that the transition to the proposed warning statement will take some time. It has proposed a two-year transition with a stock-in-trade exemption.

Although we recognise FSANZ's efforts to assess the costs, Brewers asserts that the true costs are considerably higher and that the cost-benefit analysis does not provide an accurate picture of the impact and measurable outcomes that will result.

One of the key elements of FSANZ's own cost-benefit analysis is to apply a cost mitigation factor to the implementation of the proposed warning statement based on the assumption that producers will combine the inclusion of the mandatory pregnancy warnings with other voluntary label changes or to comply with other regulatory requirements.

Within any given two-year window, the overwhelming majority of producers are unlikely to voluntarily undertake a major label change that requires a change in colour.

By far, the overwhelming impetus for label change will be from regulatory requirements. Even if voluntary changes were planned, the reality is that, faced with a change of this magnitude, most producers will time their voluntary changes to coincide with regulatory changes, rather than the other way around.

Since FSANZ is the agency responsible for developing new regulatory requirements for the labelling of packaged alcohol beverages, it alone has responsibility for the mitigation or otherwise of the cost of regulatory label changes.

Brewers is concerned that there are a number of proposed label changes that will affect the packaged alcohol beverages sector currently under consideration by FSANZ that have not been coordinated with this Proposal.

These include energy labelling for alcohol beverages and label claims with respect to carbohydrate and sugar content.

Brewers strongly urges FSANZ to consider an extended transition period to remove the risk that multiple label changes, traversing various requirements, will need to be made at different times.

If FSANZ is not able to do so, producers may face the possibility of three separate different sets of label changes, rather than one single label change.

Using FSANZ's own figures for an unmitigated scenario, this could cost producers/consumers AU\$1.8 billion. Avoiding this is, to a very significant extent, falls within FSANZ's scope and responsibility.

## 5. Conclusion

We are concerned that the current proposal by FSANZ over-reaches on its remit and fails to strike a workable balance. Our recommendations to improve the practicality of the proposal encompass:

1. The signal wording "HEALTH WARNING" is too general and should be replaced with "PREGNANCY WARNING", more clearly reflecting target audiences.
2. The label should not mandate colours. This is likely to be counter-productive and increase costs for no benefit. The prevailing Food Standard Code prescribing "legible, prominent and contrasting" should be consistently applied and adhered to.
3. We propose an exemption for vessels 400mL and under. That is, the pictogram, which is unambiguously clear, should only be required for these smaller vessels. The great majority (over 95%) of packaged beer sales are via 6-packs, 4-packs and 24-pack cartons, hence, the warning is far more important on this packaging, rather than single small vessels.

Brewers acknowledge the role that labelling can play in consumer awareness and education.

The improvements we are proposing will retain the visual impact of the FSANZ proposal, while allowing producers to most practicably implement the new regime.

If these improvements to the proposal are not made we assert that several consequences will likely occur:

- Producers, especially small producers, will be significantly impacted. Some may cease production as a consequence;
- Australian products will be materially disadvantaged in export markets; and
- Production supply chain costs will increase significantly.

Making real inroads into the incidences of FASD will take a long-term commitment and to be effective, evidence-based, targeted interventions for at-risk groups will require a combination of education resources and effort from governments, industry and the community.

## Contact

For more information, or to follow up on any aspect of our submission, please do not hesitate to contact me.

[REDACTED]

CEO

Brewers Association of Australia

[REDACTED]

[REDACTED]

[REDACTED]

## Attachment A: Comparative costs for Brewers Association of Australia members (CUB, Lion and Coopers)

All members have been 100% compliant with voluntary pregnancy warnings since 2014. Today, these apply across 804 SKUs.

	<b>Move to a labelling scheme with one colour and the sizing set out by FSANZ*</b>
Administrative Costs	<p><b>\$3,859,200</b> (@\$4,800 per SKU)</p> <p>This is made up of:</p> <ul style="list-style-type: none"> <li>• Legal costs to ensure compliance for each SKU as label is designed.</li> <li>• Photography of products with new labels.</li> <li>• Website updates.</li> <li>• Internal administration such as internal approvals and record-keeping.</li> <li>• Co-ordination of the label change process (e.g. liaison with service providers listed above, management of stock etc).</li> </ul> <p>All of the costs listed above are above and beyond business as usual (BAU).</p> <p><b>\$75,000</b> (@\$25,000 per organisation)</p> <p>This is a cost per brewer to undertake activities such as:</p> <ul style="list-style-type: none"> <li>• Obtaining legal advice to understand the changes as a whole and how they apply to different products.</li> <li>• Training and communication activities to ensure all staff are across the changes.</li> <li>• Updating internal documentation and procedures to reflect changes.</li> <li>• Educating stakeholders on the changes.</li> <li>• Managing customer feedback and complaints.</li> </ul>
Redesign of artwork	<p><b>\$2,412,000</b> (@\$3,000 per SKU)</p> <p>An average cost of reworking the artwork. This is based on a single change to the artwork (i.e. if multiple changes were introduced, e.g. nutritional information and pregnancy warning labels, this would be a more complicated change and would incur greater costs).</p>
Prepress activities	<b>\$402,000</b> (@\$500 per SKU)
Engrave new printing plate and/or cylinders	<p><b>\$3,216,000</b> (@\$4,000 per SKU)</p> <p>This is an average cost across the different categories of printing processes (e.g. lexography, lithography and rotogravure) as well as the different levels of complexity (e.g. number of colours and intricacies involved in the label).</p>
Colour matching	<b>\$402,000</b> (@\$500 per SKU)
Review label samples	<b>\$402,000</b> (@\$500 per SKU)
Produce new packaging or labels	This cost is dependent on too many variables to be able to provide an accurate estimate. For example, if a brand is using black and white packaging and a new colour is added there will be significant



	ongoing costs on adding an additional colour. However, if a label already uses the exact same colours as the warning label the ongoing cost will not exceed BAU.
Transition to new labels	<b>\$2,814,000</b> (@\$3,500 per SKU)  This varies greatly between categories and SKU (e.g. products with shorter shelf lives and higher turnovers will not be as greatly affected as some products with significantly greater shelf lives). An estimated average across SKUs has been provided.
<b>TOTAL COSTS</b>	<b>\$13,582,200</b>

\* It is important to note that these costs are based on to a labelling scheme with just one colour and the sizing change by FSANZ. Should further requirements be imposed, these costs would be multiplied accordingly.

Based on the FSANZ Call for Submission proposal, this cost for Brewers members could reach \$30 million. We assert this to be a conservative assessment.