

Submission to FSANZ Proposal P1059 – Energy Labelling on Alcoholic Beverages

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Foundation for Alcohol
Research & Education



About FARE

The Foundation for Alcohol Research and Education (FARE) is the leading not-for-profit organisation working towards an Australia free from alcohol harms.

We approach this through developing evidence-informed policy, enabling people-powered advocacy and delivering health promotion programs.

Working with local communities, values-aligned organisations, health professionals and researchers across the country, we strive to improve the health and wellbeing of everyone in Australia.

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Executive summary

Far too many Australians are negatively impacted by alcohol harm in Australia. Alcohol use is causally linked to over 200 disease and injury conditions.¹ Nearly 6,000 lives are lost every year and more than 144,000 people hospitalised, making alcohol use one of our nation’s greatest preventive health challenges.² In 2018, alcohol use contributed to 4.5% of the total burden of disease in Australia.³ Alcohol is also an addictive substance. In 2019, the National Drug Strategy Household Survey found that 10% of people in Australia who had an alcoholic drink in the previous 12 months were likely to meet the criteria for alcohol dependence when assessed by the Alcohol, Smoking and Substance Involvement Screening Test (ASSIST-Lite).⁴

FARE welcomes the opportunity to provide a submission to the FSANZ consultation on proposal P1059 regarding energy labelling on alcoholic beverages. In our response to this consultation, we consider the proposal in relation to harms unique to alcoholic products (i.e., distinguishing alcoholic products from food and non-alcoholic beverages), alongside the contribution of alcohol to weight gain and obesity through the considerable contribution alcohol makes to daily energy intake when consumed.

In our submission, we reiterate our position and the evidence submitted to FSANZ via the targeted consultations that we have engaged in on this matter to date, and present additional information on aspects of the proposal that we have not yet consulted on.

In this submission, we also raise the need for consumer testing prior to introducing these labels. It is our understanding that such research does not exist. This gap in data needs to urgently be addressed to ensure that there is a clear understanding of how people in the community will interpret the energy labels. This is particularly vital for a product that contributes to significant harms both because alcohol is a drug and because alcohol contributes to unhealthy weight and obesity.

FARE supports mandatory standardised on-label energy information for alcoholic products. FARE has some concerns about the proposals being put forth by FSANZ, specifically relating to the reference to an industry specified serving size. We make the below recommendations, expanded on in this submission, to further strengthen the current proposal.

Recommendation Number	Recommendation
1	Conduct consumer testing to understand how people in the community will interpret the energy information panel being proposed. This research should include testing of how people interpret ‘energy’ in relation to alcohol use and whether there are any potentially adverse impacts of terms being recommended for use.
2	Do not include information per serving as this may imply that the ‘serving size’ adopted by the alcohol producer is recommended. This has the potential to provide a message that increases the risk of harm to people in the community and further demonstrates the need for consumer testing of any potential label.
3	Apply the mandatory labelling consistently across all products and do not allow exclusions for alcoholic products made and packaged on the premise from which it is sold (e.g., wineries, breweries, distilleries) or for alcoholic products that are delivered packaged and ready for consumption (e.g., orders delivered to consumers by a liquor retailer).
4	Under P1049, seek to remove the exemption that allows alcoholic products to make energy claims, carbohydrate claims and sugar claims as these claims can be misinterpreted as

suggesting that alcoholic products contribute to positive health outcomes. This is highly problematic for products that cause significant harms to the community.

Response to consultation

Mandatory standardised on-label energy information for alcoholic products

FARE supports the FSANZ proposal for mandatory standardised on-label energy information for alcoholic products.

The leading objectives of the FSANZ Act are to protect public health and to provide adequate information that enables people to make informed choices. Co-regulatory, voluntary and industry led initiatives have repeatedly failed at protecting public health. Numerous examples point to the need for regulatory measures when it comes to product labelling. One such example was the voluntary use of pregnancy labels which were shown to be ineffective as a voluntary measure. Ten years after the *Review of Food Labelling Law and Policy* recommended mandatory pregnancy warning labels, pregnancy health warning labels have only recently been mandated. The delays in the mandatory implementation of pregnancy health warning labels contributes to people not having access to information that can prevent Fetal Alcohol Spectrum Disorder (FASD).

Alcohol manufacturers are already able to provide energy information through a standardised nutrition information panel but have resisted doing so while it is a voluntary measure. An audit of 850 alcoholic products sold in the largest store of the leading alcohol retail chain in Melbourne in 2021 found that only 19.8% of alcoholic products displayed a nutrition information panel (which lists the energy content).⁵ Further, only 9.7% of alcoholic products displayed a nutrition information in the absence of currently permitted nutrient content claims (i.e., claims about energy, sugar or carbohydrate content), in which case a nutrient information panel is mandated.⁵ The selective use of voluntary food labelling systems to assist in health-related marketing has similarly been documented in other food and beverage categories; for example the selective use of the Health Star Rating system on food and non-alcoholic beverages.^{6,7} Mandatory implementation of standardised on-label energy information will provide the community with consistent access to information about the energy content of alcoholic product.

Format of energy labelling

FARE supports the following FSANZ proposals regarding the format of energy labelling:

- to require the energy content on alcoholic products be provided in kilojoules,
- to require energy content information be provided on alcoholic beverages per 100ml of the beverage, and
- to apply the information consistently to all categories of alcoholic products.

Recommendation 1: Conduct consumer testing to understand how people in the community will interpret the energy information panel being proposed. This research should include testing of how people interpret ‘energy’ in relation to alcohol use and whether there are any potentially adverse impacts of terms being recommended for use.

Recommendation 2: Do not include information per serving as this may imply that the ‘serving size’ adopted by the alcohol producer is recommended. This has the potential to provide a message that increases the risk of harm to people in the community and further demonstrates the need for consumer testing of any potential label.

Tabular format consistent with Nutrition Information Panel

We support the presentation of energy information in the form of a standardised truncated nutrition information panel (NIP) which presents the energy content of an alcoholic product in kilojoules. Information about the energy content of alcoholic products must be presented in a standardised way to enable recognition as non-marketing information. Trust in nutrition labelling schemes requires transparency in who is responsible for the scheme, with the food and beverage industry often seen by consumers as a less trustworthy source of information given their economic interests often in conflict with consumers' health interests.⁸ Presenting energy information in a standardised truncated NIP will provide a system that people are already familiar with (given its mandated use on packaged food and non-alcoholic beverages) and know to be a standardised and trustworthy source of nutritional information. This format will enable people to directly compare the energy content of alcoholic products.

For these reasons, and to ensure visibility, it is also important that the table include a heading. We note that there are considerations regarding the appropriateness of 'Nutrition Information' compared to 'Energy Information' and that 'Energy Information' may most accurately reflect the information being presented in the proposed format. Consumer testing is needed to ensure that there are no adverse impacts in the use of particular wording. This is particularly important when it comes to alcoholic products which cause substantial harms to the community.

Measurements provided per 100ml and per serving

We support energy information being provided for all alcoholic products per 100ml. Providing energy content per 100ml for all alcoholic products will enable standardised and direct comparison across alcoholic products, in a format that people are familiar with. It will also enable standardised comparison between alcoholic and non-alcoholic products, which may facilitate understanding that alcohol is high in energy.

We are concerned about the provision of energy information 'per serving' as it may create a perception that there is a 'safe' or 'healthy' serving of alcohol, which is highly problematic for a product that causes substantial harm to the community. We also acknowledge, and share concern, that the use of a per serving measure may imply a serve of alcohol in excess of a standard drink, which may unintentionally promote higher alcohol consumption. We acknowledge that these concerns have been noted in the FSANZ proposal.

It is essential that provision of energy information for alcoholic products supports rather than undermines the important public health objective of reducing alcohol harm. This again demonstrates the need for consumer testing about 'per serving' measures to ensure no adverse health impact regarding alcohol use and perceptions.

Application of energy labelling

FARE does not support the FSANZ proposal:

- that existing exemptions from the requirement to bear a label for food for retail sale be applied to alcoholic products, nor
- that the energy content information for beverages containing alcohol for retail sale only be required on one layer of packaging.

Recommendation 3: Apply the mandatory labelling consistently across all products and do not allow exclusions for alcoholic products made and packaged on the premise from which it is sold (e.g., wineries,

breweries, distilleries) or for alcoholic products that are delivered packaged and ready for consumption (e.g., orders delivered to consumers by a liquor retailer).

Labelling exclusions

Energy labelling should be applied consistently across products and there should not be exemptions for alcoholic products made and packaged on the premise from which it is sold (e.g., in wineries and breweries) and for alcoholic products that are delivered packaged and ready for consumption (e.g., orders delivered to consumers by a liquor retailer).

The online sale and delivery of alcoholic products has increased rapidly in recent years. Online alcohol retailer revenue has more than doubled since 2016-17 from \$863 million to an expected \$2.0 billion in 2021-22.⁹ A FARE analysis of website traffic data found that the nine largest online alcohol retailer websites had an estimated 148 million visits in 2020, representing a 34% increase compared to 2019.¹⁰

FARE's 2020 Annual Alcohol Poll of the Australian community found that over a third (39%) of the Australian community who drank alcohol in the past year ordered alcoholic products for home delivery from online bottle shops (e.g., Dan Murphy's, BWS and First Choice Liquor) and similarly, over a third (39%) ordered from wine distributors (e.g., Cellarmasters, Wine Selectors and Naked Wines).¹¹ Further, over a quarter (29%) of Australians who drank alcohol in the past year ordered alcoholic products online from alcohol producers directly (e.g., wineries, breweries and distilleries).¹¹

Research commissioned by Wine Australia similarly demonstrates it is common for Australians to purchase wine by cellar door and online. Wine Australia's research shows that between over a third (39%) and a half (49%) of Australians who drink wine purchased wine by cellar door in 2020 and 2019 respectively.¹² Forty per cent of Australians who drink wine purchased wine by an online retailer in both 2020 and 2019, and approximately a quarter purchased wine from wineries online in 2020 and 2019 (23% and 27% respectively).¹²

Mandatory labelling should be required for all alcoholic products sold directly from producers and sold online for home delivery as these are common routes through which people purchase alcoholic products. Therefore, we recommend that labelling exclusions should not be applied in the case of alcoholic products made and packaged on the premise from which it is sold (e.g., wineries, breweries, distilleries) or for alcoholic products that are delivered packaged and ready for consumption (e.g., orders delivered to consumers by a liquor retailer). Further, given the increasing occurrence of the online sale of alcoholic products, mandatory labelling requirements should also need to apply in online retail settings where alcoholic products are sold.

Nutrition content claims about energy

Recommendation 4: Under P1049, seek to remove the exemption that allows alcoholic products to make energy claims, carbohydrate claims and sugar claims as these claims can be misinterpreted as suggesting that alcoholic products contribute to positive health outcomes. This is highly problematic for products that cause significant harms to the community.

FSANZ is proposing to not change the provisions for making nutrient content claims about energy in relation to alcoholic products as part of P1059. FARE understands that changes to nutrient content claims are outside the scope of P1059 and that P1049 (regarding carbohydrate and sugar claims on alcoholic beverages) is being progressed concurrently to this current proposal.

Energy content claims are used as a form of nutrition related marketing and, as such, may influence consumer health perceptions about alcoholic products. A number of studies show that people believe a product is

healthier if it carries a health or nutrition related claim¹³⁻¹⁸ and a meta-analysis has concluded that health and nutrition claims have a substantial effect on dietary choices.¹⁹ In the case of beverages, research similarly shows that ready-to-drink non-alcoholic beverages with health-oriented marketing are perceived as healthier alternatives than beverages without health-oriented marketing, even when these products contain similar levels of ingredients of concern (i.e., high sugar content).^{18, 20} The research also shows that even when people generally consider a beverage to be unhealthy, favourable beverage characteristics can increase perceptions of beverage healthfulness.¹⁸

Emerging research is indicating that health-oriented marketing for alcoholic products similarly creates a 'health halo effect'. Early findings from the 2021 nationally representative LiveLighter annual Shape of Australia Survey indicates that over 75% of Australian adults who had drunk alcohol in the past year believe that health-oriented marketing claims (such as 'low carb', 'no added sugar', 'low calorie', 'natural' and 'organic') meant that an alcoholic product was better for them than an alcoholic product without these claims.²¹

It is essential that people understand that the alcohol within alcoholic products is inherently harmful, regardless of the energy content. Therefore, we support energy information being provided via standardised labelling that is distinct from health and nutrition related marketing claims. We recommend that P1049 seeks to remove the exemption that allows alcoholic products to make energy claims, carbohydrate claims and sugar claims.

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