



**BREWERS**  
ASSOCIATION

## **Submission**

# **Energy Labelling of Alcoholic Beverages**

## **Targeted Stakeholder Consultation**

11 August 2017

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Public Health <input type="checkbox"/>	Consumer <input type="checkbox"/>	Industry <input checked="" type="checkbox"/>	Other _____ <i>please specify</i>

## About the Brewers Association

The Brewers Association of Australia and New Zealand is the peak industry body representing Australia and New Zealand's premier beer makers.

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

As such, over the past decade, Australia and New Zealand have seen the popularity of low- and mid-strength beers grow markedly. These products give people greater choice in their alcohol consumption. In Australia, low- and mid-strength beers account for 25% of all beer sold.

Beer provides credible options for people to moderate their alcohol consumption, with alcohol content now engrained as a key factor in the consumer decision process.

In addition, the beer industry makes a significant investment in cultural change and education initiatives for young people, pregnant women and parents through DrinkWise Australia and Cheers!NZ. Both are not-for-profit organisations that aim to bring about a healthier and safer drinking culture through developing and implementing national information and education campaigns. They also provide practical resources to help inform and support the community about alcohol use.

In Australia, the brewing sector underpins some 90,000 jobs and generates \$15.3 billion a year in economic activity – accounting for 1% of GDP. In New Zealand, our members directly employ 1,880 people, generating \$2.2 billion in economic activity.

Australians pay the highest excise on beer in the world, in addition to a 10% GST. In 2015-16, taxes on beer drinkers netted the Australian Government almost \$2.4 billion – \$2.005 billion in excise and \$377 million in GST.

Last year, New Zealand beer drinkers paid \$290 million in excise taxes and a further \$290 million of GST.

## Executive Summary

The Brewers Association of Australia and New Zealand (Brewers Association) wholly endorses consumers having access to nutritional information to enable them to make informed choices.

However, in reviving the recommendations from the 2009 Blewett Labelling Review, the 'problem' to be addressed by this review remains unclear and, in fact, infers responses that are likely to be outdated or irrelevant to modern consumers.

There were two outcomes discussed during the industry consultation round. Both require further clarification.

### Addressing obesity/weight management issues and driving behavioural change

- Given alcohol is just one of many factors related to weight management, and its impact unclear, there is no reasonable basis to assume that energy labelling of alcohol will be an effective mechanism to drive behavioural change and address weight management issues.

### Informing consumers

- Product labelling is not likely to be the most effective means of informing or educating consumers in 2017. The energy labelling solution was posed in 2009 and, since that time, technology and the way consumers interact with purchases has changed dramatically. There are more effective, and less costly, ways to inform consumers.

Under Australian and New Zealand regulation, it is voluntary to include energy and nutrition information on the labels of alcoholic beverages, unless a nutrition claim is being made.

Today, there are more dynamic and appropriate technologies available to inform consumers and keep them up-to-date, such websites, social media, calorie calculators and web/smartphone applications that would be significantly more effective in informing and educating modern consumers.

The Australian and New Zealand governments should, therefore, reconsider the drivers for this process, their intended outcomes and clarify this with industry and other stakeholders before considering any further action.

Pending a revision, the Brewers Association provides the following positions in regards to the current consultation on energy labelling:

1. Government needs to clearly define its intended outcome before seeking solutions. Is the aim to inform consumers or affect change behaviour?
2. The Government's defined problem, as outlined in the consultation paper, is too narrowly focussed as it infers on-label nutritional information is the only solution to the problem. It should be removed or amended. In fact, the Blewett Labelling Logic: Review of Food Labelling Law and Policy (2011) recognised labels in isolation would be unlikely to be effective in modifying behaviours (page 80).

3. The Brewers Association fervently supports transparency and consumers' rights to information in making informed choices. We do not, however, consider product labelling to be the only way to achieve the desired outcome.
4. The Brewers Association does not support the provision of mandatory nutritional information panel or energy values on product labels. The Brewers Association appreciates the Government's intentions to seek industry consultation. We seek the opportunity and flexibility to address public health or information concerns through market-based, industry-led initiatives (with government support) in addressing any perceived problems. Voluntary or co-regulatory approaches, similar to pregnancy warning labels, which see Brewers Association members approaching 100% compliance, are more effective in gaining industry support.
5. Off-label solutions for informing consumers, including, but not limited, to specific and generic web content, company specific web content, applications, as well promotional campaigns, are more effective in modern times for informing consumers.
6. The Brewers Association questions the need to solve a problem that lacks clear definition and direction. For alcohol's part, government resources may be better placed in addressing health-related concerns and informing consumers by supporting industry's work on moderate consumption.

Industry marketing experience in the provision of consumer information indicates that the more information that is added to labels lessens the effectiveness of the message. Due to clutter, it may also detract from existing information, such as pregnancy warnings, number of standard drinks and allergen information.

Further, 2009 thinking should not be used to implement a solution in 2017. Technology has significantly advanced since 2009 and this process should keep pace with that, rather than replicating 2009 thinking.

There are other, better and more consumer-focussed ways for communicating information (apps, online) rather cluttering up labels and adding significant, unnecessary expense.

In fact, all members of the Brewers Association provide nutritional information on their products or websites based on their own marketing and information strategies. Brewers Association members in New Zealand have also collaborated on an industry-wide consumer information program, that includes raising awareness about the nutritional information of beer (Beer The Beautiful Truth). It's important to state that this campaign targets consumer choice of beer over other categories, and is not driven by insights regarding health outcomes.

In aggregate, it's clear there is no shortage of nutritional information in 2017.

There is a lack of evidence to suggest that, in 2017, consumers from lower socio-economic backgrounds are impeded from accessing online content.

The link between alcohol consumption and obesity/weight gain is tenuous, especially given the overall reduction in alcohol consumption that has occurred since this recommendation was delivered.

The research cited by the Health Department in the consultation paper points to population overweight/obesity increase from 56.3% in 1995 to 63.5% in 2012. The assumption is that alcohol is a key contributing factor.

This is contrary to the fact that alcohol consumption in Australia has, in fact, decreased over the same period of time. According to the Australian Bureau of Statistics' *Apparent Consumption of Alcohol 2013-14* Australians are drinking less alcohol overall than any time in the last 50 years. Across all alcoholic beverages, there were 9.7 litres of pure alcohol available for consumption in 2013-14 for every person in Australia aged 15 years and over. This is the lowest level since the early 1960's.

The Health Department data also indicates that the proportion of the population overweight/obese "has not increased significantly since 2011/12".

Indeed, given 20% of the Australian population do not consumer alcohol at all, what work has been done to ascertain the obesity/overweight nature of this cohort? Again, to what extent is alcohol a driver?

The Health Department data makes the claim that "alcoholic beverages contributed, on average, 16% of daily energy intake".

This appears unrealistically high, especially in light of the Australian Institute of Health and Welfare's *National Drug Strategy Household Survey 2013* finding that just 6% of the drinking population drink daily – down from 10.2% in 1991.

Given this lack of correlation between the stated evidence, the lack of clarity as to the problem to be rectified and the outcomes to be achieved, how does the Government measure the success or otherwise of this policy in meeting its objective of curbing/eliminating overweight/obesity in Australians and New Zealanders?

The challenges caused by these ambiguities and the cost implications of on-label energy notices far outweigh the ill-defined benefits they may provide.

More work needs to be done to understand the problem and consumers' need/desire for information, ahead of determining the most appropriate delivery methods for communicating that information.

**Question 1. Do you have any further relevant information regarding consumer opinion related to the energy labelling of alcoholic beverages? Where possible, please provide details, examples and/or evidence/references.**

Industry marketing experience in the provision of consumer information indicates that the more information that is added to labels lessens the effectiveness of the message. Due to clutter, it may also detract from existing information, such as pregnancy warnings, number of standard drinks and allergen information.

**Question 2: Do you have any further information regarding of any international standards, regulations, voluntary codes or schemes, or policy actions relevant to energy labelling of alcoholic beverages?**

No.

**Question 3: Do you have any further information regarding industry and trade perspectives related to the energy labelling on alcohol? Where possible, please provide details, examples and/or evidence?**

No.

**Question 4. Do you have any data, information or evidence to inform on the policy linkage between energy, information, weight management and alcohol consumption?**

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The challenges caused by these ambiguities and the cost implications of on-label energy notices far outweigh any potential benefit they may provide.

## **Question 5: What types of intervention do you consider appropriate in addressing the identified problem? Please provide details of the intervention options, costs associated with the intervention option(s), and evidence of the effectiveness of the proposed approach.**

The Brewers Association advocates the need for government to first understand consumers' expectations for accessing energy information for alcohol beverages, before the ideal 'interventions or recommendations' are developed – aligned with the end-outcomes.

Given 20% of the Australian population do not consume alcohol at all, what work has been done to ascertain the obesity/overweight nature of this cohort? Again, to what extent is alcohol a driver?

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More work needs to be done to understand the problem and consumers' need/desire for information, ahead of determining the most appropriate delivery methods for communicating that information.

In the absence of these elements and clarity around them, there is likely to be a considerable financial cost and burden on industry for no measurable outcome.

## Contact

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

Kind regards,



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