

11 August 2017

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Food Regulation Standing Committee  
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Dear

Attached are the comments that the New Zealand Food & Grocery Council wishes to present on the ***Targeted consultation paper: Energy labelling of alcoholic beverages.***

Yours sincerely

Katherine Rich  
**Chief Executive**



***Targeted consultation paper: Energy  
labelling of alcoholic beverages***

**Submission by the New Zealand Food & Grocery  
Council**

**11 August 2017**

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## NEW ZEALAND FOOD & GROCERY COUNCIL

1. The New Zealand Food & Grocery Council (“NZFGC”) welcomes the opportunity to comment on the ***Targeted consultation paper: Energy labelling of alcoholic beverages***.
2. NZFGC represents the major manufacturers and suppliers of food, beverage and grocery products in New Zealand. This sector generates over \$34 billion in the New Zealand domestic retail food, beverage and grocery products market, and over \$31 billion in export revenue from exports to 195 countries – some 72% of total merchandise exports. Food and beverage manufacturing is the largest manufacturing sector in New Zealand, representing 44% of total manufacturing income. Our members directly or indirectly employ more than 400,000 people – one in five of the workforce.

## OVERARCHING COMMENTS

3. The contribution of alcohol to the daily energy intake of Australian and New Zealand consumers is low – between 3-7%.
4. NZFGC does not believe that the provision of energy labelling information on label will have any impact on choices between alcoholic beverages, non-alcoholic beverages and other foods or in the reduction of the energy contribution of alcohol to the Australian or New Zealand consumers. There is some suggestion the reverse might hold.
5. The NZIER economic benefit analysis demonstrated that there is a negative cost benefit of applying energy labelling to alcohol products. The label is not, in all likelihood, the appropriate vehicle for the provision of nutrition information.
6. NZFGC is strongly of the view that there are other more effective means of conveying consumer information than the label. Mobile-ready information for the consumers of the future is likely to have more effective transferability than printed labels.
7. In the provision of nutrition information including energy information and the provision of healthier alternatives (low/no alcohol choices in wines and beer), the industry is well ahead of any prospective regulatory failure.
8. Industry is already voluntarily providing extensive consumer information including nutrition and energy information and is best placed to assess impacts in terms of uptake and changing consumer wants and needs. Even though the relationship between alcohol and weight gain appears weak and possibly non-existent, for those alcohol consumers interested in weight management, much of the information is readily available.
9. As a result NZFGC considers voluntary arrangements driven by industry are best in this area of significant uncertainty about relationships of risk factors (alcohol consumption and obesity), consumer desires (nutrition or energy information), and effective delivery (on and off label forms). We oppose mandatory arrangements based on cost and the potential for such arrangements to create trade barriers.

## DETAILED COMMENTS

10. NZFGC understands the consultation continues on from the 2010/11 Report *Labelling Logic: Review of Food Labelling Law and Policy* (the Labelling Report). We would suggest that 7 years on, the environment, context and consumer base has changed and that the Labelling Report is now outdated and has been overtaken by events.

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11. NZFGC acknowledges that consumers are interested in more information about what they consume whether that is food or drink. However, there are many uncertainties and some unknowns: which consumers are interested, the level of information that is sought, what the information might be used for and how it might be best delivered. In the intervening 7 years since the Labelling Report was published, there have been extensive alcohol related campaigns and information provision. New Zealand has dedicated \$100 million to education and reducing the harm to key population groups.
  12. There is a question about what energy labelling might deliver. The Labelling Report noted that “the provision of factual information that could be relevant to a person’s health or weight management ... means that consumers lack information at the point of sale about the nutrient content of alcoholic beverages” (para 4.80). Energy content was suggested as requiring consideration due to the energy density of alcohol. At the time, it was estimated that “6.4% of Australian adult males and 3.4% of females energy intake comes from alcoholic beverages” (para 4.82).
  13. We also know (as reported by FRSC in the consultation paper) that the proportion of the Australian population who are overweight or obese has not increased significantly since 2011/12 and that consumers generally do not consume alcohol for its nutritive benefit.
  14. NZFGC does not believe that the provision of energy labelling information on label will have any impact on choices between alcoholic beverages, non-alcoholic beverages and other foods or in the reduction of the energy contribution of alcohol to the Australian or New Zealand consumers.
  15. Further, to suggest that energy labelling “would help consumers make informed choices between alcoholic beverages, non-alcoholic beverages and other foods, based on energy content” when this is not what the Labelling Report proposed, risks the concern expressed in the Report that the information could be counterproductive. Anecdotally, energy labelling may reduce nutritious food intake to offset the energy intake from alcohol thus contributing to harmful consumption. If correcting the ‘regulatory failure’ identified by FRSC results in consumer harm, then the inconsistency of information provision is positive.

### ***Summary of information and evidence (to date)***

Question 1: Do you have any further relevant information regarding consumer opinion related to the energy labelling of alcoholic beverages?
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16. NZFGC has no additional information regarding consumer opinion related to energy labelling of alcoholic beverages. We do not consider that consumer attitudes to food labelling to be directly relevant because many consumers do not consider alcohol to be ‘food’.
17. The New Zealand and Australian industry acknowledgment of consumer interest in knowing more about nutrition content of alcohol has resulted in the voluntary provision of nutrition information (including the energy content) on alcoholic beverages, online or in marketing campaigns. These include Lion, DB Breweries, Treasury Wine Estates, and Diageo in New Zealand. There has also been a considerable effort to provide low and no alcohol products and we note the effort that was made to effect legislative change in New Zealand so that consumers could make low or no alcohol drink selections while in the areas displaying alcohol in supermarkets.

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18. In both these areas (provision of nutrition information including energy and provision of low/no alcohol choices in wines and beer) the industry is well ahead of any regulatory failure.
19. Internationally, voluntary information provision is currently being explored in the EU. As FRSC notes, the EU industry has been asked to develop an implementation programme within 12 months for a voluntary arrangement. If the result of that work is a code of practice, the prospect is that such a code could be readily adaptable to Australia and New Zealand.
20. There is also the likelihood that the Europeans will be investing in research that we might also find valuable.

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?

Question 3: Do you have any further information regarding industry and trade perspectives related to the energy labelling on alcohol?

21. NZFGC has no further information on global developments other than that identified by FRSC. We strongly recommend that, given the international ownership of the larger alcohol suppliers and manufacturers in Australia and New Zealand that we should monitor closely the EU developments to promote consistency and avoid the creation of trade barriers.

#### **Policy linkage between energy information, weight management and alcohol consumption**

22. It is important not to generalise the results of surveys and reviews for the general food supply or the consumption of food with application to alcohol without testing the results specifically for alcohol. As noted above consumer views of 'food' and 'alcohol' are not synonymous. The policy linkage is tenuous and as FRSC notes that there is "risk of using social pressure to reduce alcohol consumption with the aim of maintaining a healthy weight, may promote the practice of compensatory energy restriction (i.e. reducing energy intake from food to compensate for energy from alcohol intake).

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

23. NZFGC points to a review by Noble et al (2015) that showed, of the 56 relevant studies identified, 81% reported a 'healthy cluster' characterised by the absence of risk factors including poor nutrition and alcohol. We would also note that Sayon-Orea (2011) found the contrary result: "The overall results do not conclusively confirm a positive association between alcohol consumption and weight gain; however, positive findings between alcohol intake and weight gain have been reported, mainly from studies with data on higher levels of drinking. It is, therefore, possible that heavy drinkers may experience such an effect more commonly than light drinkers. Moreover, light-to-moderate alcohol intake, especially wine intake, may be more likely to protect against weight gain, whereas consumption of spirits has been positively associated with weight gain."
24. NZFGC does not have any further information on the policy linkage between energy information, weight management and alcohol consumption. However, there is evidence that providing nutrition information, including energy labelling, may have a perverse effect. See also Wright 2008.

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### **Identifying the impact of policy options on stakeholders**

25. The NZIER economic benefit analysis demonstrated that there is a negative cost benefit of applying energy labelling to the back label of beverage alcohol products. If nutrition information including energy information is to be provided, in addition to the level already provided, then the label is not the appropriate vehicle.
26. NZFGC is strongly of the view that there are other more effective means of conveying consumer information that are either already in place within the alcohol industry or that industry is planning. Mobile-ready information for the consumers of the future is likely to have more effective transferability than printed labels. A whole world of evidence suggests this (online books, on-line retailing, on-line health advice etc).

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

27. Industry is already voluntarily providing extensive consumer information and is best placed to assess impacts in terms of uptake and changing consumer wants and needs. Even though the relationship between alcohol and weight gain appears weak and possibly non-existent, for those alcohol consumers interested in weight management, the information is readily available.
28. As a result NZFGC considers voluntary arrangements driven by industry are best in this area of significant uncertainty about relationships of risk factors (alcohol consumption and obesity), consumer desires (nutrition or energy information), and effective delivery (on and off label forms).

Question 6: Do you have data, information or evidence to assist in the identification and assessment of potential risks or issues associated with the energy labelling of alcoholic beverages intervention options?

29. See above

Question 7: What are the impacts for stakeholders that need to be considered in this policy development process?

30. For consumers, accessibility and utility are key impacts. Off label information is a key consideration for the future. For industry, delivering consumer needs and cost are key impacts. On-label information is a high cost option when consumer needs can be met at lower cost by off-label means. It also has the added advantage of being trackable as to use, and responsive to changing information needs.
31. Consumer communication channels other than on-label provide the attributes of responsiveness, timely, current and future proofed for upcoming, tech savvy generations.

### **References**

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