

Energy labelling of alcoholic beverages

Targeted Consultation – October 2020

Discussion paper

1 Introduction

In August 2019, the Australia and New Zealand Ministerial Forum on Food Regulation (the Forum) noted:

Currently, consumers' ability to understand the energy contribution that alcohol makes to their diet is severely limited, as alcoholic beverages are exempt from providing nutrition information on the label.

and agreed to refer the work on energy labelling of alcoholic beverages to FSANZ¹.

The purpose of the targeted consultation is to:

- note the policy background and work to date on energy labelling of alcoholic beverages
- discuss the problem statement as noted by the Forum above
- discuss linkages with other key FSANZ projects; Proposal P1049 - Carbohydrate and sugar claims on alcoholic beverages and *Added sugar labelling*
- outline FSANZ's proposed work and timelines for energy labelling of alcoholic beverages
- seek stakeholder views on energy labelling of alcoholic beverages.

2 Background

Work to date

An over-arching aim of the food regulatory system is to *help consumers make informed choices about food by making sure they have information they need and are not misled.*²

In 2011, *Labelling Logic: Review of Food Labelling Law and Policy*, included Recommendation 26: *That energy content be displayed on the labels of all alcoholic beverages, consistent with the requirements for other food products.* The context of this recommendation was that the provision of energy information would assist people wanting to manage their dietary energy intake.

In response to this recommendation FSANZ was asked to undertake a cost-benefit analysis³ to assess the impact of implementing Recommendation 26. Subsequent to this, and to further explore energy labelling of alcoholic beverages the Food Regulation Standing Committee (FRSC);

- prepared a policy discussion paper for consideration by the Forum
- conducted targeted stakeholder consultation in June 2017. Detail of written submissions and facilitated roundtables is available from the [Food Regulation Systems website](#). FSANZ has summarised stakeholder views at Attachment 1

¹ Australia and New Zealand Ministerial Forum on Food Regulation Communiqué 16 August 2019

<https://foodregulation.gov.au/internet/fr/publishing.nsf/Content/forum-communication-2019-August>

² The aims and objectives of the food regulatory system are available at

<https://foodregulation.gov.au/internet/fr/publishing.nsf/Content/system-aims-and-objectives>

³ <https://www.foodstandards.gov.au/consumer/labelling/review/Pages/Labelling-review-recommendation-26.aspx>

- undertook preliminary analysis of potential regulatory and non-regulatory policy options.

Policy guidance

The FRSC, on request by the Forum, is developing a new policy guideline on food labelling to support consumers to make informed healthy choices. This policy guideline is expected to provide FSANZ with policy guidance relevant to energy labelling of alcoholic beverages.

Dietary Guidelines

An appropriate balance between energy intake and expenditure is fundamental for maintaining a healthy weight and reducing the risk of chronic disease related to overweight and obesity. Both the [Australian](#) and [New Zealand Dietary Guidelines](#) recommend limiting alcohol intake.

- The Australian Dietary Guidelines consider alcohol to be a discretionary food (i.e. energy dense, nutrient poor) and that *limiting alcohol intake is an important strategy for achieving appropriate energy intake*.
- The Eating and Activity Guidelines for New Zealand Adults note that *drinking alcohol can add more energy to the diet than people are aware of* and recommend that *if you drink alcohol, keep your intake low*.

Energy labelling requirements

The *Australia New Zealand Food Standards Code* (the Code) requires a Nutrition Information Panel (NIP), containing average energy content⁴ information on most packaged foods. However, standardised alcoholic beverages⁵ and beverages containing no less than 0.5% alcohol by volume that are not standardised alcoholic beverages, are exempt from this requirement. The basis for the exemption was because most alcoholic beverages are of minor nutritional significance, except for their energy and alcohol content, and it was considered the presence of a NIP could mislead consumers about the nutritional value of alcoholic beverages. If however a permitted nutrition content claim about energy or carbohydrate content is made, a NIP is then required. The Code permits alcoholic beverages to voluntarily provide a NIP.

International approaches and voluntary initiatives

FSANZ is aware there are approaches, both on and off label, used overseas for providing energy information to consumers. Some alcohol companies in Australia and New Zealand, as well as overseas have implemented, or have committed to implementing, providing voluntary nutrition information.

3 FSANZ's proposed work and timelines

The Forum has asked FSANZ to consider energy labelling as part of the alcohol labelling work already underway. Before proposing any changes to the Code, FSANZ will investigate the problem statement as noted by the Forum to clearly identify and define the problem (if any) and determine whether labelling is appropriate for addressing the identified problem.

Our investigation will consider:

- the Australian and New Zealand dietary guidelines
- the new policy guideline on food labelling to support consumers to make informed healthy choices

⁴ **average energy content** means the average energy content calculated in accordance with section S11—2.

⁵ **standardised alcoholic beverage** is defined in the Code as beer, brandy, cider, fruit wine, fruit wine product, liqueur, mead, perry, spirit, vegetable wine, vegetable wine product, wine or wine product.

- a literature review on consumer understanding of the energy content of alcoholic beverages, consumer motivation to use such information, and consumer behaviour in response to energy information
- the availability of information about the energy content of alcoholic beverages for sale in Australia and New Zealand
- consumption of alcoholic beverages in Australia and New Zealand
- regulatory and non-regulatory approaches used overseas to the provision of energy content information including the labelling of alcoholic beverages
- any technical issues with the determination of the energy content of alcoholic beverages
- views and information provided at the stakeholder meetings.

Work started in mid-2020 and is expected to be completed in mid-2021.

Subject to the findings and assessment outcomes of this work, FSANZ will undertake further work to investigate regulatory and/or non-regulatory approaches and identify a preferred option.

4 Related projects

There are two other current FSANZ projects that are of relevance to the labelling of alcoholic beverages. The relationship between these matters and energy labelling of alcoholic beverages is discussed below.

[P1049 - Carbohydrate and sugar claims on alcoholic beverages](#)

In November 2017, the Forum meeting [communiqué](#) stated that ministers were aware of an increasing number of alcoholic beverages for sale in Australia and New Zealand with the claim they are ‘% sugar-free’. It also stated that ministers are concerned that these claims on alcoholic beverages are misleading and that alcohol is being promoted as a healthier choice for consumers when public health advice is to limit alcohol intake. Ministers asked FSANZ to review the matter in relation to the standard and claims about carbohydrate and its components, such as sugar claims about food containing more than 1.15% alcohol.

In response, FSANZ completed a [technical assessment](#) which was considered by Forum Ministers in June 2018. The [communiqué](#) from that meeting stated that in addition to original issues noted by the Forum concerning sugar claims there are also issues more broadly concerning carbohydrate claims on foods that contain alcohol. The Forum noted FSANZ has agreed to prepare a proposal to clarify Standard 1.2.7 – Nutrition, health and related claims with respect to claims about carbohydrate and its components, such as sugar, in line with the original policy intent that prohibits claims on alcoholic beverages.

P1049 may result in the prohibition of carbohydrate and/or sugar claims about alcoholic beverages, which means some product labels (and advertising) would need to be changed to remove such claims. This may also result in the removal of NIPs from alcoholic beverages, as these are only required when nutrition content claims are made.

Given the interrelationship between P1049 and energy labelling of alcoholic beverages, work on P1049 has been slowed. This will allow us to consider alignment of any potential alcohol labelling changes.

[Added sugar labelling](#)

Since 2017, the Forum has been considering policy options for sugar labelling. The desired policy outcome agreed by the Forum is for *food labels to provide adequate contextual information about sugars to enable consumers to make informed choices in support of dietary guidelines*.

On request by the Forum, the FRSC prepared a Consultation Regulation Impact Statement (CRIS) and [policy paper](#) on the labelling of sugars on packaged foods and drinks.

In August 2019, the Forum requested FSANZ to *review nutrition labelling for added sugars*. The Forum noted that quantifying added sugars in the NIP best met the desired policy outcome.

As a first step, we are undertaking an evidence assessment of added sugars labelling before we propose any changes to the current labelling requirements. We anticipate this assessment will be completed mid-2021, at which time a decision will be made about whether to prepare a proposal to change the Code.

At this stage, it is unclear if any changes to labelling requirements that may occur as a result of FSANZ's review of *added sugar labelling* will apply to alcoholic beverages.

5 Questions for discussion

1. Do you agree with the problem statement as noted by the Forum? Why?
2. Do you have any data, information or evidence related to the consumption of alcoholic beverages in Australia and New Zealand?
3. Do you have any data, information or evidence on the availability of information about the energy content of alcoholic beverages for sale in Australia and New Zealand? How is energy content information communicated to consumers e.g. labelling, websites etc?
4. Do you have information about any overseas regulations or voluntary initiatives on energy information about alcoholic beverages? Please specify.
5. Do you have any information or evidence regarding the measurement of the energy content of alcoholic beverages?
6. Do you have any data, information or evidence on consumers' understanding, motivation and/or behaviour with respect to energy content or energy labelling of alcoholic beverages?
7. Are there any other areas you think we should be considering as part of our assessment?
8. What are your perspectives of the linkages with the related projects; *P1049* and the review of *added sugar labelling*?
9. Do you have a view on added sugar labelling as it relates to alcoholic beverages?

Attachment 1

Key stakeholder	Summarised comments
Alcoholic beverage industry	<ul style="list-style-type: none"> - Consumers have a right to information but product labelling is not the most appropriate way of providing it. - Education programs/campaigns are important for providing nutrition information. - Nutrition information on labels needs to be prioritised given the limited space. - A full NIP on alcoholic beverages is not appropriate. - Strongly prefer a voluntary labelling scheme. - More precise research is required to determine what consumers want to know. - The problem statement needs to be more clearly articulated. - Concerned about international trade implications. - Significant costs and technical difficulties associated with testing energy content. - Increase in production costs would increase product cost to consumers.
Government	<ul style="list-style-type: none"> - More research is required to determine what consumers want to know. - More research required to explore the relationship between labelling and consumption patterns/behaviour change. - Obligations under international trade agreements needs consideration. - Behavioural risks and unintended consequences of energy labelling. - A full NIP on alcoholic beverages may not be appropriate. - Nutrition labelling needs to be easy to understand. - Mandatory labelling is a significant undertaking for smaller producers. - Mandatory labelling would bring additional enforcement and monitoring costs.
Public health	<ul style="list-style-type: none"> - Support a standardised, mandatory scheme. Voluntary schemes do not work. - Labelling of alcoholic beverages is a consumer right. - No good reason for the continued exemption for alcohol from providing NIP's. - There is a positive link between labelling and consumption choices. - Industry provides nutrition information for a competitive advantage. - Industry may use nutrition information labelling to imply alcohol is 'healthy'. - Research required on how many consumers access nutritional information online. - Need to understand what information consumers want. - Any intervention needs to be supplemented with education strategies. - Alcohol served 'out of package' needs to be considered.
Consumers/ consumer groups	<ul style="list-style-type: none"> - Energy labelling of alcoholic beverages is essential for consumers to make informed choices around alcohol consumption. - Impact of labelling is dependent on implementation and enforcement, as well as supporting education campaigns. - Strongly support a regulatory approach with standardised labels. - Providing information digitally is inconvenient and poses access issues. - Energy information should not be limited to physical labels. - Information currently available through websites is inconsistent and confusing. - Industry currently uses energy labelling as a marketing tool. - Having nutritional information readily available for consumers will provide an incentive for producers to improve their products.