



Submission to Food Standards Australia New Zealand

On

Proposal P1049

Carbohydrate and sugar claims on alcoholic beverages

4 September 2023

Introduction

- 1.1 The Brewers Association represents major brewers with the core purpose to celebrate beer, its contribution to the economy and to social wellbeing through responsible consumption.
- 1.2 Our members (Lion Pty Ltd and DB Breweries Ltd) produce approximately 80% of the beer brewed in New Zealand. The brewing industry is a major contributor to the ongoing success of the New Zealand economy – worth \$3.3 billion in the year ending September 2022. The brewing industry contributes over \$896 million to GST and alcohol excise tax and support thousands of jobs throughout New Zealand in the primary production sector through Hop and Barley production as well as the retail and hospitality sectors.
- 1.3 The Brewers Association supports the moderate consumption of beer by adults. Many people enjoy drinking beer which can be part of a healthy lifestyle when consumed in moderation. The Brewers Association believes where there are instances of misuse or underage consumption, targeted interventions and education are best placed to successfully reduce harm for specific at-risk groups.
- 1.4 Our core principles are:
 - a) Drinking beer can add to an adult's enjoyment of life, and as a lower alcohol and natural product, can be part of a healthy lifestyle when enjoyed in moderation.
 - b) Beer plays a positive role in our society and the economy due to its important role in the agricultural, brewing, tourism and hospitality sectors, as well as our culture and heritage.
 - c) We support targeted efforts by industry, Government and the community to reduce alcohol misuse.
- 1.5 This submission has been prepared on behalf of the Brewers Association of New Zealand by [REDACTED] Executive Director of the Brewers Association. He [REDACTED]

2. Position overview

- 2.1 BANZ welcomes the opportunity to provide feedback on Proposal P1049 – Sugar and carbohydrate claims for alcoholic beverages. BANZ has already taken steps to contribute valuable information and insights regarding the use of claims and the prevalence of products in the market. This proactive engagement underscores BANZ's commitment to facilitating an informed regulatory process.
- 2.2 BANZ is supportive of the idea of providing consumers with comprehensive information regarding the products they select and consume, enabling them to make well-informed decisions. Not only does this align with our members' commitments to supporting and inform consumers. But meets the Policy Guideline on Labelling to Support Consumers to make Healthy Informed Choices. And where those who choose to consume alcoholic beverages, it enables them to make informed choices consistent with dietary guideline recommendations about sugars.
- 2.3 This is also why we strongly back FSANZ's proposal in P1059 for mandatory labelling of energy content. We believe it's crucial to provide accurate details about the content of beer products along with this important information for our consumers especially in light of differentiation through claims.
- 2.4 As for the options put forward in the Call for Submissions (CFS)
 - BANZ supports Option 1 presented in the Call for Submissions. This alternative allows producers to continue delivering information that holds significant value for consumers.
 - BANZ also extends its endorsement to Option 2 for similar reasons, albeit with some inquiries regarding the rationale behind certain proposed limitations.
 - BANZ does not support Option 3, deeming it as a costly approach unsupported by substantial evidence.
- 2.5 BANZ elaborates in sections 3 - 5 on its position concerning the options and responses to the questions aimed at submitters. It's important to note that BANZ members Lion and DB will also be submitting on this matter and will provide further market insights BANZ supports their submissions.
- 2.6 The information provided in the CFS shows that consumers could better understand the details on labels, especially regarding kJs. We see this as a collaborative opportunity between our industry and FSANZ to enhance comprehension once these proposals are accepted and put into action.

3. Option 1

- 3.1 BANZ endorses Option 1. This choice maintains the current state where claims of low/no carbs and low/no sugar have been widely embraced by consumers since 2013. Independent consumer research, commissioned by BANZ members, indicates that consumers desire this information and that it doesn't result in an increase in overall consumption of alcoholic drinks. This can be further seen in the overall alcohol available for figures for alcohol in New Zealand over this period, which shows litres per capita have remained steady if not trending slightly downwards.

- 3.2 BANZ's perspective is that the current phrasing of Standard 1.2.7 already permits sugar-related claims on alcoholic beverages, and there's no compelling rationale to alter the existing situation.
- 3.3 BANZ appreciates and supports FSANZ's intention to collaborate with key industry bodies on communication strategies to ensure awareness of the carbohydrate and sugar labelling prerequisites on alcohol-containing drinks throughout the transition period, including the connection with energy statements.

4. Option 2

- 4.1 In absence of Option 1, BANZ also endorses Option 2. This option still provides the ability for claims to be made around sugar and carbs, which ultimately give the consumer a greater ability to make healthy and informed choices. However, BANZ does question the rationale behind limiting other components of carbohydrate in making claims. While these are currently not utilised by brewers as claims, consumers may in time turn their attention to certain elements such as fructose. BANZ contends the rationale for providing information about lower levels or the absence of these components also enables consumers to make healthy informed choices about their food intake.
- 4.2 As with Option 1 BANZ supports the need and intention for greater communication to improve consumer awareness of the labelling requirements and nature, during the transition phase.
- 4.3 BANZ notes that one of its members has raised a matter regarding the clarity in the code around Malt as an added sugar. BANZ will look to provide greater feedback on this issue as it arises in the Added Sugar work P1058/1062

5. Option 3

- 5.1 BANZ strongly opposes the proposal of Option 3 and notes that as highlighted by the CFS, the 2018 Technical assessment and the 2023 literature review, there is no rationale to support the removal of claims from alcoholic beverages.
- 5.2 In August 2020, the then Ministerial Forum endorsed a Policy Guideline, which provides strategic guidance to Food Standards Australia New Zealand (FSANZ) about the Forum's expectations on food labelling to support consumers to make informed healthy choices in relation to the recommendations in the Australian and New Zealand Dietary Guidelines. These include ensuring information is easily accessed and understood allows consumers to compare foods, and takes into account the nutritional content of the whole food so as to not mislead consumers.
- 5.3 Removing the ability to make these claims will ultimately reduce the information available to consumers for comparing foods and to make informed healthy choices where carbohydrate is a specific aim for the consumer. This would mean the products which will be unable to be advertised in such a way will be less likely to be produced by brewers. As noted in Table 1 of Section 3.2 there is a substantial difference in the kJ content of low carb beers compared to beers with a normal carb content (full carb beers containing 153 kJ per 100 mL and low carb beers containing 119 kJ per 100 mL.)
- 5.4 So not only will there be less information for consumers, there is likely to be fewer products available which enable lower energy choices.

6. Specific questions:

- 6.1 *Q1 Do you have or are you aware of any evidence to suggest that nutrition content claims about carbohydrate and/or sugar on alcoholic beverages affect consumers': (a) level of consumption of alcoholic beverages? (b) level of physical activity? (c) general food intake?*
- 6.2 We agree with the findings of the Call for Submissions that there is little or no evidence of an effect of these claims on the items listed. We note the positive trends in alcohol consumption referenced earlier in this submission.
- 6.3 Statistics New Zealand data shows that there has been a 1.69% increase in the total volume of beer since 2013. With an increasing population, in real terms this means a total decline in beer consumption per capita of 7.9%. While the low carb category has grown to approximately 15% of total beer (as provided in data by BANZ members), this shows that consumers are not drinking more alcohol due to the presence of claims but are switching from regular beer to low carb product.
- 6.4 This reinforces the statement around the NZ and Australian healthy eating guidelines in the CFS that "Neither guidelines include recommendations about carbohydrate intake. However, the Australian guidelines note dietary patterns that tend to be relatively low in total fat and moderate (not high) in carbohydrate are consistent with reduced risk of excess weight gain (NHMRC, 2013)".
- 6.5 Q2. Are you aware of any studies that sufficiently examine the effects of nutrition content claims about carbohydrate and/or sugar on choice between different types of alcoholic beverages?
- 6.6 No.
- 6.7 Q3. Do you agree with the estimates for the average cost of labelling change for option 3 for affected Stock Keeping Units (SKUs) in Attachment D? Please provide evidence to support your position.
- 6.8 In relation to the label cost change, BANZ is in general agreement of the costings as outlined in the CFS using the Marsden Jacobs cost of labelling model. However, BANZ notes that the CFS does not take into account the various other costs associated with the implementation of Option 3. Notably the loss of investment in product development and brand awareness.
- 6.9 BANZ contends that the figures associated with implementing Option 3 would be significantly higher and damaging for the business if the ability to make claims were removed. In effect this segment of the beer category loses its identity and brands may disappear rather than relabel or rebrand. This is primarily due to their being similar versions in market of their existing brand. e.g. Speight's Summit vs Speights' Summit Ultra and DB Export and DB Export Low Carb.
- 6.10 BANZ believe too little assessment of what this impact would be has been made in this proposal and to proceed with Option 3 would require a far more robust assessment of the Cost benefit, with the loss of brand and sunk investment in such brands outweighing the cost of label changes.

6.11 Q4. Do you have any data on amounts or proportions of SKUs that carry nutrition content claims about carbohydrate and/or sugar and that would be affected by option 3?

6.12 N/A

6.13 Q5. Do you agree with FSANZ's current overall consideration of costs and benefits?

6.14 BANZ agrees that Option 2 has a net benefit over Option 3 but given under Option 1 claims would remain in the market which have developed over time and the potential to restrict other claims such as fibre or fructose. BANZ is not convinced that it has been established that Option 1 would provide a net positive over Option 2.

6.15 Q6. Are there any other material costs and benefits that you believe should be taken into account in this analysis?

6.16 See Q3