

Comments from the Victorian Department of Health and the Victorian Department of Energy, Environment and Climate Action.

Due date of submission – extended to Monday 20 March 2023

The Victorian Departments of Health and Energy, Environment and Climate Action (the departments) welcome the opportunity to provide comments on Proposal P1059 Energy labelling on alcoholic beverages.

Executive summary:

Proposal P1059 was raised at the request of the Australia and New Zealand Ministerial Forum on Food Regulation (now the Food Ministers' Meeting) in August 2019. The Proposal seeks to consider amending the Australia New Zealand Food Standards Code (the Code) to provide energy (kilojoule) content information on beverages containing alcohol. The scope of Proposal P1059 is limited to packaged alcoholic beverages that are required to bear a label and that are currently exempt from the requirement to display a nutrition information panel (NIP). This includes standardised alcoholic beverages and beverages containing no less than 0.5% alcohol by volume (ABV) that are not standardised alcoholic beverages.

The departments recognise the benefits of FSANZ's proposal to require the provision of energy on packaged alcoholic beverages, as detailed in the Call for Submissions document, and recommend educational material to explain the Energy Information panel and the dietary recommendations for alcohol in relevant dietary guidelines accompany these labelling changes. The departments recognise the proposed three-year transition period and stock-in-trade exemption for alcoholic beverages packaged and labelled before the end of the transition period will allow for any additional labelling requirements being considered under P1049 – Carbohydrate and sugar claims on alcoholic beverages to minimise costs associated with labelling changes.

Departmental response:

The departments see merit in FSANZ's proposal to require the provision of energy on packaged alcoholic beverages. We recognise alcoholic beverages are a significant contributor to energy intake in the Australian population and consumers currently have a poor understanding of the impact of alcoholic beverages on energy balance. The provision of energy information across all alcoholic beverage labels will enable consumers to be informed about the energy content of alcoholic beverages and make dietary choices in line with dietary guidelines, which is consistent with the *Policy Guideline on Food Labelling to Support Consumers to Make Informed Healthy Choices*.

We support the proposed format, including the provision of information per serving and 100mL, which will provide consumers with meaningful information about the amount of energy they are likely to consume, as well as allow for comparison between various alcoholic beverage products. We note evidence for the ideal label format and impact on consumer behaviour is limited. However, given the inherent limitations in consumer behavioural research, particularly for products used in social settings, such as alcohol, further research may not provide additional guidance. Any additional supporting evidence sought to inform the label format should consider FSANZ's workplan and opportunities to coordinate with aligned proposals such as P1049.

We note the Code allows serving size to be determined by manufacturers. As with all foods and beverages, there may be a risk the serving size is manipulated to display a more desirable energy content. Post-implementation, monitoring may be required to ensure there is appropriate use of serving size in line with the Code definition. There is also a risk that consumers may misunderstand, or misuse energy information given current low levels of literacy in the general public related to numerical nutrition information for all foods and beverages^{1,2}. Education materials related to information available in the Energy Information panel, such as serving size and percentage daily intake, may enable appropriate use of the information provided. This kind of education may be part of a broader education campaign about the nutritional information of all foods and beverages. However, targeted information that addresses the unique format and information on alcoholic beverage labels, such as the distinction between energy content, serving size and standard drinks, would also be beneficial. This could be in a similar format to infographic materials currently available about how to read a food label, such as <https://www.foodstandards.gov.au/consumer/labelling/Pages/interactive-labelling-poster.aspx> and <http://media.healthdirect.org.au/publications/Nutrition-Information-Panel.pdf>.

Questions posed to submitters:

1. Do you agree with the estimates for the average cost of labelling change and the number of Stock Keeping Units (SKU) that would need to be changed? Please provide evidence to support your position.

The departments have no information to provide.

2. Do you think the estimated average cost of labelling change is representative of all products within scope of this application?

The departments have no information to provide.

3. Do you have any views on whether the estimates we have used for the costs of overweight and obesity are appropriate? If you have alternative studies you would like us to consider please provide references to them.

The departments do not hold any concerns with the utilised overweight and obesity cost estimates. We suggest *The Heavy Burden of Obesity* report by the Organisation for the Economic Co-operation and Development (OECD)³, which estimates additional associated costs, such as reduced gross domestic product, could also be considered in the costs of overweight and obesity.

¹ Watson, W.L., Kelly, B., Hector, D., Hughes, C., King, L., Crawford, J., Sergeant, J. and Chapman, K., 2014. Can front-of-pack labelling schemes guide healthier food choices? Australian shoppers' responses to seven labelling formats. *Appetite*, 72, pp.90-97.

² Kelly, B., Hughes, C., Chapman, K., Louie, J.C.Y., Dixon, H., Crawford, J., King, L., Daube, M. and Slevin, T., 2009. Consumer testing of the acceptability and effectiveness of front-of-pack food labelling systems for the Australian grocery market. *Health promotion international*, 24(2), pp.120-129.

³ <https://www.oecd.org/health/the-heavy-burden-of-obesity-67450d67-en.htm>

4. Do you agree with the use of break-even analysis in this situation? If not can you provide alternative evidence about potential causal links between labelling change and potential health benefits?

It is well-established that the causal pathway of overweight and obesity is complex with multiple interdependent drivers⁴, and as a result, it is difficult to attribute strong links between isolated interventions such as labelling and intended outcomes. For this reason, the departments support the use of a break-even analysis for this proposal.

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

While the initial prompt to consider energy labelling on alcohol was related to the potential impact on energy balance, the departments note potential wider reaching benefits in reducing alcohol-related societal harms where consumers choose to lower their alcohol intake. The labelling requirements may also facilitate new products to be developed or reformulation of products with reduced energy (and/or alcohol) content⁵. To provide a more complete estimate of costs and benefits, the departments also consider the health costs should encompass all associated health risks, such as cardiovascular disease, liver disease and associated cancers⁶.

The cost benefit analysis for P1059 might also consider the costs (or cost savings) associated with implementing any regulatory requirements arising through P1049 – Carbohydrate and sugar claims on alcoholic beverages. Where possible, these proposals should be progressed as closely together as possible.

⁴ Vandenbroeck P, Goossens J, Clemens M. Foresight, tackling obesities: future choices building the obesity system map. London Gov Off Sci 2007.

⁵ <https://onlinelibrary.wiley.com/doi/full/10.1002/osp4.638>

⁶ Shield, K.D., Parry, C. and Rehm, J., 2014. Chronic diseases and conditions related to alcohol use. Alcohol research: current reviews, 35(2), p.155.