



20th March 2023

Energy Labelling on Alcoholic Beverages Proposal
Food Standards Australia & New Zealand
PO Box 5423
KINGSTON ACT 2604

Via email to submissions@foodstandards.gov.au

Response to the call for submissions– Proposal P1059 Energy labelling on alcoholic beverages

I write to you today, to humbly ask that you reconsider the proposal to introduce energy labelling on alcoholic beverages. My name is Daniel Wright and I am the founder of Swell Brewing Co. Pty Ltd. in McLaren Vale, South Australia.

Small craft breweries are a vibrant, entrepreneurial industry that has grown significantly in Australia - 650+ breweries have an economic output of \$1.93 Billion, employing 6,891 people. For every direct job within the industry, 3.8 jobs are created in agriculture, manufacturing, supply and hospitality - meaning the industry supports over 33,000 jobs. Within South Australia, 72 breweries operate; providing just over 2,000 jobs, boosting tourism and supporting local communities.

I would like to echo submissions made by both the national Independent Brewers Association and also the South Australian arm of the IBA, and make the following points.

- The economic climate currently for small breweries is very uncertain. Since the onset and recovery from Covid 19 we have seen a significant downturn in trade due to consumer confidence and financial position. To make matters worse the current increase in interest rates, fuel and electricity costs, employee costs, ingredient costs as well as excise duty increases are making it harder and harder for small breweries to survive. You only have to read the number of breweries of late going into administration to see that. So, any more unforeseen costs, like a packaging change will be detrimental to our industry
- Any labelling change unproportionally affects smaller brewers. With smaller volumes runs, any changes to packaging take a long time to recoup. It has recently cost our business over \$15 000 to change over for the Mandatory Pregnancy Labelling, which is a huge expense for a business of our size. If this change was to come in, along with other proposed changes it would mean not only spending that sort of money again but ongoing costs to maintain the standard of what is put on our labels. We like to put out regular seasonal SKU's, so these would most likely have to be tested every time, at another cost in time and money.

- Reading Section 5 of the proposal, I would submit the economic impact on my business would be detrimental. I currently have 7 core SKUs and up to 12-20 seasonal SKU's. If each SKU has to be relabelled that would mean a cost of \$3441 per SKU labels on can totaling over \$ 24K for our core range and up to \$68K annually for our seasonal sku's. These costs would mean our business is unable to employ 1 FTE employee or 3 casuals per annum. It would severely reduce our ability to upgrade equipment and therefore deliver on the quality product we strive to produce.
- Within the FSANZ submission there are references to an education campaign needed to help consumers understand the energy within alcoholic beverages. We would ask that this campaign is started in earnest before a labelling change is proposed.
- We also call for more in depth studies to ascertain the effectiveness of energy labelling, when all studies presented have concluded that there is no significant effect on consumer buying or consuming behaviour. This is a big change for our industry, and we would like to be a part of the consultation process.
- We propose that FSANZ abandon any plans of a full Nutritional Information Panel on labels for craft breweries in order to avoid consumer confusion and reduce consumers' intentions to buy.

If you would like to speak to me in regards to this submission, please find my contact details below.

Kind Regards,

A large black rectangular redaction box covers the signature and contact details of the sender.