AUSTRALIAN Grape & Wine

Submission responding to FSANZ proposal P1059: Energy labeling on alcoholic beverages

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About Australian Grape & Wine

Australian Grape & Wine is Australia's national association of winegrape and wine producers. Our activities focus upon the objective of providing leadership, strategy, advocacy and support that serves Australian wine businesses now and into the future.

We represent the interests of the more than 2,500 winemakers and 6,000 winegrape growers working in Australia. Our role is to help forge a political, social and regulatory environment - in Australia and overseas - that enables profitable and sustainable Australian wine and winegrape growing businesses. These businesses make a significant contribution to underpinning regional economies by driving growth in jobs, regional exports and food and wine tourism.

We represent small, medium and large winemakers and winegrape growers from across the country. Policy decisions by the Australian Grape & Wine Board require 80% support, ensuring no single category can dominate the decision-making process and guaranteeing policy is only determined if it provides significant industry benefit. In practice, most decisions are determined by consensus.

Australian Grape & Wine is recognised as a representative organisation for winegrape and wine producers under the *Wine Australia Act 2013*, and is incorporated under the *SA Associations Incorporation Act 1985*. We work in partnership with the Australian Government to develop and implement policy that is in the best interests of winegrape growers and winemakers across Australia.

Introduction

Australian Grape & Wine welcomes the opportunity to submit our views to FSANZ in relation to Proposal P1059 – Energy labelling on alcoholic beverages. We commend FSANZ on its very good work in consulting stakeholders on this proposal.

While this submission lays out some suggested improvements to the proposal relating to its format and harmonization with requirements in international markets, Australian Grape & Wine is broadly satisfied with the proposal. We understand consumers' desire to have access to information relating to their energy intake and we believe the approach FSANZ takes in its proposal strikes a sensible balance between consumer demands and industry's need for practical and cost-effective solutions.

Format of the proposed Nutritional Information Panel

Australian Grape & Wine strongly supports the proposal to allow energy content to be displayed using a truncated Nutritional Information Panel (NIP). This model provides consumers with the relevant information they need to make decisions relating to their energy intake, while minimising the impact on wine businesses.

We note that during the targeted stakeholder consultation sessions held by FSANZ in 2022, stakeholders were asked to provide feedback on a number of possible templates for a truncated NIP. At the time, we submitted the view that energy information should be provided in the smallest possible NIP format, and in such a way that it would not confuse or conflict with messaging relating to standard drinks.

In section 5.3.7 of the P1059 call for submissions paper, FSANZ proposed the following truncated NIP template for alcoholic beverages:

Current proposal

ENERGY INFORMATION Servings per package: (insert number of servings) Serving size: mL		
	Quantity per serving	Quantity per 100 mL
Energy	kJ (Cal)	kJ (Cal)

While we support the truncated nature of the proposal, we propose an amendment to this template that would provide consumers with the same information in a smaller format, and in a manner that does not confuse consumers about serving sizes and standard drinks.

Our primary concern with the current proposal at 5.3.7 is the top three lines of the table, which we consider to be superfluous to consumer needs and potentially confusing. We support FSANZ implementing a modified version of 'option 4' of the templates presented to stakeholders during consultations in 2022, as presented below.

Option 4

	Quantity per serving (X mL)	Quantity per 100mL
Energy Information	kJ (Cal)	kJ (Cal)

This model would provide the consumer with the same level of information as that outlined in the proposal at 5.3.7. While the separate heading 'Energy Information' is omitted, the first column includes the heading 'Energy Information' as opposed to just 'Energy'. Secondly, the information about servings per package and serving size in mLs is omitted.

Furthermore, by removing the top three lines, FSANZ would be ensuring messaging relating to standard drinks, and therefore alcohol intake, retain their primacy in the context of consumer information provided on a bottle of wine. If consumers are to focus on 'per serve' information in this table, this may lead to confusion about a 'serving' of the wine and a standard drink.

These approaches include the heading "Quantity per serving (XmL)" which provides consumers with the same information as provided by the third line of the proposal at 5.3.7, rendering this third line redundant in our view. Furthermore, by removing the heading relating to servings per package, FSANZ would be helping to ensure consumers focus primarily on the number of standard drinks in the container – as opposed to the serves. The standard drinks statement is mandated and based on the alcohol content of the product. However, we note the serving size statement is based on whatever the business would like it to be. While the generally accepted serving size for a glass of wine is 100mL (as noted above), there is some risk that businesses could inadvertently select a serving size on their own that could confuse consumers about the number of standard drinks in a product.

We believe it is important that FSANZ chooses a model that supports the primacy of standard drinks information on the label. If either option 3 or 4 is agreeable to FSANZ, Australian Grape & Wine would work with its members and the industry more broadly to encourage businesses to use the 100mL serving size on their labels.

We also ask that FSANZ consider the fact that the accepted serving size for a glass of wine in Australia is 100ml.[1] Given the proposed model already has a quantity per 100 mL column (which will be the same as the Quantity per serving column), we submit there is no need to include the top three lines of the template.

This also presents an opportunity to further truncate the NIP. Where the value for energy per serving size and energy per 100 mL are the same, we submit that there is no value to the consumer in duplicating this information. We ask that FSANZ considers the template below as a model to display energy content in such an instance.

Optimal option for wine businesses

	Quantity per serving / per 100 mL
Energy Information	kJ (Cal)

We note that any mandatory label change is problematic for Australian winemakers already working to manage an increasingly cluttered labelling environment. Given the competition for label space on wine bottles or other packages, we submit that the proposed format would amount to *"substantive additional content which does require changes to both the label layout and label shape / size."*[2] If FSANZ could adopt the optimal model suggested in this submission and others (including New Zealand Winegrowers' submission), we are confident that it would be delivering on the perceived benefits of the proposal for consumers at a lower cost to industry.

[1] Standard drinks guide | Australian Government Department of Health and Aged Care

[2] As defined in the Draft Marsden Jacob report

Trade and market access considerations

Australia exports around 60 per cent of total production each year to more than 100 markets around the world. As an export oriented industry it is critical that we do everything we can do make trade as frictionless as possible. With this in mind, we make the following points:

1. It is important to note that exporters will be required to adjust labels for different export markets and that many markets currently do not permit energy labelling on wine. In these cases, wine businesses will be required to remove the energy information from their label. From a design (and therefore cost) perspective, the less space that the energy information takes up on the label, the less reconfiguration will be required for different markets.
2. We note the EU recently adopted proposals which will apply in its market from 8 December 2023. This includes an energy declaration (which must be provided on-label), along with a nutrition and ingredient list (which can be provided either on-label or off-label via a QR code). It would be extremely valuable for wine producers to be able to use the same format for both markets. This would help to reduce cost and smooth trade between the respective markets.
3. In addition, we understand the United States has confirmed that it will issue a notice of proposed rulemaking regarding nutrition content labelling in respect of alcoholic beverages.[3]
4. We also note that there is also work on these issues ongoing in the International Organisation of Vine and Wine (OIV) and in Codex Alimentarius with potential flow on impacts for other markets.

Reference table of energy values

Australian Grape & Wine is pleased to note FSANZ's acceptance of our proposal to allow wine producers to refer to a standard table of typical energy values for wine, as developed in consultation with the Australian Wine Research Institute (AWRI). This is a sensible and practical solution that allows wine producers to provide the information required without having to undertake testing on each wine they make.

Outer packaging requirements

Australian Grape & Wine notes the proposal to require labelling on outer packaging. Different producers and alcohol beverage categories use 'outer packaging' in different ways with many wine producers using a carton simply as a transport vessel. However, we have recently seen instances in which retailers have required *all* outer packaging to carry labelling requirements to reduce their liability of enforcement action. We therefore agree with our New Zealand Winegrowers colleagues' suggested approach that outer packaging labelling only be required where that outer packaging is *intended for retail sale by the producer*. This is particularly important for a product such as wine where it is ordinarily displayed in a bottle, rather than in a box. It is almost always the case that consumers will refer to the bottle for information about a wine, as opposed to the outer packaging.

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[3] https://www.cspinet.org/sites/default/files/2022-11/2022-11-17 TTB Response to CSPI Letter.pdf

Implementation

We support the timeline for implementation set out in the proposal and believe a three-year transition period and stock-in-trade exemption is suitable.

We ask, however, that consideration be given to the treatment of cellar-reserve and museum stocks that may be labelled, but not yet for sale. For example, a number of producers around Australia produce wines that are bottled and labelled in, for example, 2020, but are not released for sale for 5-10 years. We request that such wines (which do not make up a large proportion of the wines for sale in Australia) be granted an exemption from the requirements if the energy labelling proposal is approved for implementation.

We also request that the timeline for implementation of this work aligns with P1049 (carbohydrate and sugar claims). This is a practical suggestion that would minimise the number of label changes required, thereby reducing design and labelling costs. We note that this may, however, mean the deadline for energy labelling would need to be extended.

Conclusion

Thank you for the opportunity to provide a submission in response to this proposal. Again, we recognise and commend FSANZ for its stakeholder engagement and consultation throughout this process.

Contact

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