

## 7 April 2025 336-25

# Approval report – Proposal P1049

# Carbohydrate and sugar claims on alcoholic beverages

Food Standards Australia New Zealand (FSANZ) has assessed a proposal to clarify requirements in the Australia New Zealand Food Standards Code with respect to claims about carbohydrate content and the components of carbohydrate (such as sugar) in relation to food (including alcoholic beverages) that contains more than 1.15% alcohol by volume (ABV).

On 24 July 2023, FSANZ sought submissions on a draft variation and published an associated report. FSANZ received 82 submissions.

FSANZ approved the draft variation 26 March 2025. The Food Ministers' Meeting. was notified of FSANZ's decision on 7 April 2025.

This Report is provided pursuant to paragraph 63(1)(b) of the *Food Standards Australia New Zealand Act 1991* (the FSANZ Act).

<sup>&</sup>lt;sup>1</sup> Formerly referred to as the Australia and New Zealand Ministerial Forum on Food Regulation

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# Supporting document

Supporting document 1 – P1049 Literature Review Update available on the <u>FSANZ website</u>.

# **Executive summary**

Food Standards Australia New Zealand (FSANZ) has approved a change to the Australia New Zealand Food Standards Code (the Code) to clarify that nutrition content claims about sugar, a component of carbohydrate, can be made on food containing more than 1.15% ABV, including alcoholic beverages.

Alcoholic beverages can carry nutrition content claims about carbohydrates, energy and gluten. Some alcoholic beverage manufacturers have interpreted the permission for claims about carbohydrates to include claims about sugar content, as sugar is a component of carbohydrate. Consequently, nutrition content claims about both carbohydrate and sugar are being made in relation to alcoholic beverages for sale in Australia and New Zealand. Food ministers and state and territory food regulatory agencies sought clarity on these claims to ensure consumers are not being misled and provide certainty for enforcement purposes.

Alcohol is regulated as a food through the Code. Food ministers have provided clear guidance that food labelling is expected to support consumers to make informed choices in support of healthy dietary patterns. When consumers choose to drink alcohol, many are interested in options that are lower in carbohydrates, sugar, energy or alcohol. Changing consumer preferences are in turn driving industry innovation in product lines.

In considering this issue, FSANZ had regard to the best available evidence, including consumer trends and market changes in the alcohol sector, prevalence of carbohydrate and sugar claims on alcoholic beverages, consumer research and testing, relevant ministerial policy guidelines, international approaches, stakeholder views and costs and benefits.

Overall, the evidence indicates carbohydrate and sugar claims on alcoholic beverages are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness and lack of effect on consumers' behavioural intentions to consume alcohol. As such, the evidence does not support prohibiting these claims.

Nutrition content claims must meet relevant conditions in the Code and will continue to be subject to consumer and fair-trading laws that require labels do not misinform consumers through false, misleading or deceptive representations. Nutrition content claims about individually named sugars (e.g. fructose) and components of carbohydrate (other than sugar or sugars) are prohibited.

## 1 Introduction

### 1.1 The proposal

The purpose of this proposal is to consider clarifying requirements in the Australia New Zealand Food Standards Code (the Code) in relation to making nutrition content claims about carbohydrate content and the components of carbohydrate (such as sugar) on food containing more than 1.15% alcohol by volume (ABV), including alcoholic beverages<sup>2</sup>.

# 1.2 Reasons for preparing proposal

Standard 1.2.7 – Nutrition, health and related claims prohibits nutrition content and health claims to be made about food that contains more than 1.15% ABV, including alcoholic beverages, other than nutrition content claims about carbohydrate, energy or gluten.

As sugar is a component of carbohydrate, the permission to make claims about carbohydrate content on food that contains more that 1.15% ABV has been interpreted by some alcoholic beverage manufacturers as a permission to also make claims about sugar content. Consequently, nutrition content claims about both carbohydrate and sugar are being made in relation to alcoholic beverages for sale in Australia and New Zealand.

Food enforcement agencies in Australia and New Zealand have reported the Code is unclear about whether nutrition content claims about sugar on alcoholic beverages are permitted by Standard 1.2.7.

In 2017, the Australia and New Zealand Ministerial Forum on Food Regulation (now the Food Ministers' Meeting (FMM)) raised concerns about sugar claims on alcoholic beverages, specifically that % sugar free claims are misleading and that alcohol is being promoted as a healthier choice for consumers when public health advice is to limit alcohol intake. The FMM 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% ABV.

In response, FSANZ undertook a technical assessment to determine whether changes to the Code were required. Based on this technical assessment, FSANZ considered there was justification to clarify requirements in Standard 1.2.7 with respect to nutrition content claims about carbohydrate and sugar content in relation to food containing more than 1.15% ABV.

This proposal (P1049) was prepared in August 2018 to consider changes to the Code to clarify requirements in Standard 1.2.7 for making voluntary nutrition content claims about carbohydrate and sugar on food containing more than 1.15% ABV, including alcoholic beverages.

#### 1.3 Procedure for assessment

The proposal was assessed under the General Procedure of the *Food Standards Australia New Zealand Act 1991* (FSANZ Act).

# 1.4 Scope

The scope of this proposal is limited to considering the permission to make nutrition content claims about carbohydrate and components of carbohydrate such as sugar, in relation to food than contains more than 1.15% ABV.

<sup>&</sup>lt;sup>2</sup> For the purpose of this report, 'alcoholic beverages' means alcoholic beverages containing more than 1.15% alcohol by volume (ABV).

As the FMM's request related to sugar claims on alcoholic beverages and enforcement agencies identified a lack of clarity in the Code for such claims, FSANZ's assessment focuses on carbohydrate and sugar claims on alcoholic beverages.

Other permitted nutrition content claims (i.e. energy or gluten content; salt and sodium content about a food that is not a beverage) and the prohibition of other nutrition content and health claims about food that contains more than 1.15% ABV are not in scope.

Permissions for making nutrition content and health claims about food that contains less than or equal to 1.15% ABV are also out of scope.

#### 1.5 Related work

#### 1.5.1 Proposal P1059 – Energy labelling on alcoholic beverages

FSANZ has assessed Proposal P1059 – Energy labelling on alcoholic beverages<sup>3</sup> to consider amending the Code to require energy (kilojoule) labelling information on certain alcoholic beverages. Given P1059 and P1049 both considered labelling of alcoholic beverages, the proposals were progressed in parallel so any label changes on consumers' ability to make informed choices could be considered together and to minimise the impact on industry of potentially having to make multiple label changes.

#### 1.5.2 Review of the Nutrition Information Panel

In April 2022, FSANZ prepared Proposal P1058 – Nutrition labelling about added sugars<sup>4</sup> to consider amending the Code to include 'added sugars' information in the nutrition information panel (NIP) to enable consumers to make informed food choices in support of dietary guidelines.

In July 2023, the FMM noted FSANZ's evidence assessment to date had identified complexities and challenges in implementing added sugars labelling in the NIP that indicated it may not achieve the policy objective. Ministers requested FSANZ undertake consumer testing to identify the best way to incorporate added sugars in the NIP.

In July 2024, the FMM noted FSANZ's consumer research indicates that added sugars labelling in the NIP can result in consumer confusion, reduced trust in the label, and potentially food choices inconsistent with dietary guidelines. Based on FSANZ's evidence assessment, the FMM agreed to FSANZ scoping work on a holistic review of the NIP instead of progressing Proposal P1058. Any proposed changes to requirements in the Code arising from the review of the NIP may apply to alcoholic beverages that are required to be labelled with a NIP when a nutrition content claim is made.

#### 1.6 Decision

For the reasons outlined in this report, FSANZ has approved an amended version of the proposed draft variation in the call for submissions (CFS) released in July 2023.

Minor editorial amendments made to the draft variation following consideration of submissions were as follows:

• Note 1A has been removed because the definition of 'sugar' is not relevant to claims about 'sugar' given claim conditions in S4—3 refer to 'sugars' which is defined as 'monosaccharides and disaccharides' for the purpose of Standard 1.2.7.

<sup>&</sup>lt;sup>3</sup> Proposal P1059 - Energy labelling on alcoholic beverages | Food Standards Australia New Zealand

<sup>&</sup>lt;sup>4</sup> Proposal P1058 - Nutrition labelling about added sugars | Food Standards Australia New Zealand

- 'any of the following' has been added to paragraph 1.2.7—4(1)(c) to make clear that any of the listed claims are permitted.
- For clarity, subparagraphs 1.2.7—4(1)(c)(v) and (vi) have been combined as they relate to the same permission for a nutrition content claim about sugar or sugars content.
- Note 1 under subsection 1.2.7—4(1) has been removed as reference to the definition of 'sugar' is not needed.
- Subsections 1.2.7—4(2) and (3) have been combined and edited to make clear the nutrition content claims that are not permitted are claims that name or refer to individually named sugars or claims about a component of carbohydrate (other than sugar or sugars).

The approved draft variation takes effect upon gazettal and is at Attachment A. The related explanatory statement is at Attachment B. An explanatory statement is required to accompany an instrument if it is lodged on the Federal Register of Legislation.

The draft variation on which submissions were sought is at Attachment C.

# 2 Background

#### 2.1 Current standards

Section 1.2.7—4 of the Code prohibits the following types of claims being made about foods containing more than 1.15% ABV:

- health claims: and
- nutrition content claims other than a nutrition content claim about energy, carbohydrate
  or gluten content; or salt and sodium content about a food that is not a beverage.

These prohibitions apply to claims made on labels and in advertisements (section 1.2.7—3).

'Nutrition content claim' is defined in section 1.1.2—9. to mean, among other things, a claim about the presence or absence of carbohydrate or the components of carbohydrate and a claim that is not a health claim.

Carbohydrate is defined in the Code to mean available carbohydrate, which must be calculated by direct summation or by difference (subsection 1.1.2—2(3); and subsections S11—3(1) and (2)). Both calculations include total sugars as part of the available carbohydrate content of a food.

For the purposes of Standard 1.2.7, Standard 1.2.8 and Schedule 4, 'sugars' is defined to mean monosaccharides (other than D-allulose) and disaccharides (section 1.1.2—2).

#### 2.1.1 Requirements for making nutrition content claims

The requirements for making nutrition content claims are set out in Division 4 of Standard 1.2.7; and Schedule 4. Section S4—3 of Schedule 4 sets out a table which includes the property of food. (Column 1) along with general claim conditions (Column 2) that must be met when making a nutrition content claim about the property of food. It also includes specific claim conditions (Column 4) for certain descriptors (Column 3), which must be met (in addition to the general claim conditions) when making nutrition content claims about a property of food using the associated descriptor. These requirements apply when making

<sup>&</sup>lt;sup>5</sup> **property of food** means a component, ingredient, constituent or other feature of food (see section 1.1.2--2).

certain nutrition content claims about any eligible food. The conditions for the property of food 'Carbohydrate' are listed separately to those for the property of food 'Sugar or sugars' in this table.

For nutrition content claims about carbohydrate, there are specific conditions for making increased and reduced.<sup>6</sup> (or synonyms, e.g. lower) carbohydrate claims. That is, the food must contain at least 25% less carbohydrate than in the same amount of the reference food.<sup>7</sup>. Other nutrition content claims about carbohydrate, such as 'low carbohydrate', are permitted but there are no general or specific conditions in the Code for these claims (subsection 1.2.7—12(8)).

With regard to nutrition content claims about sugar or sugars, there are specific conditions for '% free', 'low', 'reduced (or light/lite)', 'no added' and 'unsweetened' claims or claims using synonyms of those descriptors. That is, to make a 'x% free' or 'low' claim about a liquid food, the food must contain no more than 2.5 g of sugar per 100 mL. To make a 'reduced' (or light/lite) sugar claim, the food must contain at least 25% less sugars than in the same amount of the reference food. To make a 'no added' sugar claim, it must not contain an added sugar (as defined in the Code for this condition) and must have no more than 7.5 g sugar per 100 mL. To make an 'unsweetened' claim the food must meet the conditions for a 'no added' sugar claim and must not contain intense sweeteners or other similar specified ingredients. Other nutrition content claims about sugar or sugars, such as 'x grams sugar', are permitted but there are no general or specific conditions in the Code for these claims (subsection 1.2.7—12(8)).

In addition, nutrition content claims will continue to be subject to consumer and fair-trading laws that require labels do not misinform consumers through false, misleading or deceptive representations.

Standardised alcoholic beverages and beverages containing no less than 0.5% ABV that are not standardised alcoholic beverages are exempt from the requirement to be labelled with a NIP under Standard 1.2.8 – Nutrition information requirements, unless a nutrition content claim is made, in which case a NIP must be provided (section 1.2.8—5). A NIP must include (among other things) the average energy content, and average quantity of protein, carbohydrate, sugars, fat, saturated fat and sodium (section 1.2.8—6).

Standard 2.7.1 – Labelling of alcoholic beverages and food containing alcohol requires a statement of alcohol content for a food (including an alcoholic beverage) that contains more than 1.15% ABV (section 2.7.1—3).

<sup>&</sup>lt;sup>6</sup> These are comparative claims, as defined in section 1.2.7—16: A **comparative claim** is a nutrition content claim that directly or indirectly compares the nutrition content of one food (or brand) with another and uses descriptors including light or lite, increased, reduced or words of similar import.

<sup>&</sup>lt;sup>7</sup> **reference food**, in relation to a claim, means a food that is:

<sup>(</sup>a) of the same type as the food for which the claim is made and that has not been further processed, formulated, reformulated or modified to increase or decrease the energy value or the amount of the nutrient for which the claim is made; or

<sup>(</sup>b) a dietary substitute for the food in the same \*food group as the food for which the claim is made.

<sup>&</sup>lt;sup>8</sup> **standardised alcoholic beverage** means beer, brandy, cider, fruit wine, fruit wine product, liqueur, mead, perry, spirit, vegetable wine, vegetable wine product, wine or wine product.

## 2.2 Policy considerations

#### 2.2.1 Ministerial policy guidance

#### 2.2.1.1 Policy Guideline on Nutrition, Health and Related Claims

In December 2003, the FMM (then the Australia and New Zealand Food Regulation Ministerial Council) endorsed a Policy Guideline on Nutrition, Health and Related Claims<sup>9</sup> to assist with the development of Standard 1.2.7.

This policy guideline sets out claim pre-requisites and states that every health claim must meet a number of overarching principles. One of these overarching principles is that claims can be made providing:

'the eligibility criteria, including qualifying and/or disqualifying criteria (and any excluded categories of foods, such as alcohol and infant foods) are complied with.'

In the context of these overarching principles, the eligibility criteria apply specifically to health claims.

However, the policy guideline also includes a Claims Classification Criteria section which states:

'Consideration should be given to including criteria for making each level of claim and any parameters (e.g. qualifying and disqualifying criteria, or exclusions for certain categories of foods, such as alcohol and baby foods) should be specifically stated in the Standard.'

In addition, the Regulatory Model section states:

'The standard may also set out qualifying and disqualifying criteria for the different types of claims and categories of foods which may be excluded from making claims (e.g. alcohol and baby foods).'

# 2.2.1.2 Policy Guideline on Food Labelling to Support Consumers to Make Informed Healthy Choices

In August 2020, the FMM (then the Australia and New Zealand Forum on Food Regulation) endorsed the *Policy Guideline on Food Labelling to Support Consumers to Make Informed Healthy Choices* <sup>10</sup>. The overall aim of this policy guideline is that ministers expect *food labels to provide adequate information to enable consumers to make informed food choices to support healthy dietary patterns recommended in the Dietary Guidelines*. The scope of the policy guideline applies to foods, beverages and alcoholic beverages. It also recognises where additional optional information is provided on a food label, such as by nutrition, health and related claims, that other policy guidance may also be relevant.

#### 2.2.2 Australia and New Zealand dietary guidelines

Guideline 3 of the Australian dietary guidelines is *Limit intake of foods containing saturated fat, added salt, added sugars and alcohol* (NHMRC 2013). Specifically, the guideline recommends the following:

- (c) Limit intake of foods and drinks containing added sugars such as confectionary, sugar-sweetened soft drinks and cordials, fruit drinks, vitamin waters, energy and sports drinks; and
- (d) If you choose to drink alcohol, limit intake.

<sup>&</sup>lt;sup>9</sup> Policy Guideline on Nutrition, Health and Related Claims

<sup>&</sup>lt;sup>10</sup> Policy Guideline on Food Labelling to Support Consumers to Make Informed Healthy Choices

The guidelines consider alcohol to be a discretionary food (i.e. energy dense, nutrient poor) and state that *limiting alcohol intake is an important strategy for achieving appropriate* energy intake. The guidelines recommend that alcohol intake contribute less than 5% of dietary energy and note that sugar-sweetened alcoholic drinks add a further risk for excessive weight gain.

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* (New Zealand Ministry of Health 2020). The guidelines also note that adding sugar increases the energy content of foods and drinks and recommend choosing foods with the lowest amount of added sugar by comparing the sugar content on food labels.

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).* 

### 2.3 History of Standard 1.2.7

#### 2.3.1 Standard 1.2.7 development

Standard 1.2.7 was developed via Proposal P293 – Nutrition, Health and Related Claims. 11 (P293). P293 commenced in 2004 and included six rounds of public consultation in addition to numerous targeted consultations with a range of interested parties. The standard was gazetted in January 2013 with a three-year transition period.

The general prohibition on making nutrition content and health claims on alcoholic beverages was based on both the intention to support public health messages about limiting alcohol intake and the nutrition, health and related claims policy guideline (see section 2.2.1.1).

As an exception to the prohibition, FSANZ initially proposed that claims about alcohol and energy content be permitted as these claims serve a useful purpose in promoting responsible alcohol consumption and providing an additional choice for consumers respectively. However, permission for nutrition content claims about carbohydrate content was provided following public consultation, mainly because there were claims specifically about carbohydrate on alcoholic beverages (in particular 'low carb' beers) in the marketplace at the time. It was noted in the Preliminary Final Assessment Report that this would permit brands developed around those claims to remain in the marketplace and therefore incur no cost to industry (compared with prohibiting such claims) (FSANZ 2007). It was also noted that this would provide greater opportunity for industry innovation, provide additional nutrition information to consumers and increase consumer choice. Claims about sugar on alcoholic beverages were not specifically mentioned.

Further information, including the approaches proposed in P293 consultation papers for the regulation of nutrition content claims about alcoholic beverages during the development of Standard 1.2.7, is available in sections 2.1 and 2.3 of the Technical Assessment (see section 2.4 below) and P293 documentation.<sup>12</sup>.

<sup>&</sup>lt;sup>11</sup> Proposal P293 – Nutrition, Health and Related Claims

<sup>12</sup> Proposal P293 - Nutrition, Health and Related Claims | Food Standards Australia New Zealand

#### 2.3.2 Changes to claim permissions post gazettal of Standard 1.2.7

Since Standard 1.2.7 was gazetted, FSANZ has amended the standard to permit nutrition content claims about gluten content on alcoholic beverages (subject to conditions in the Code for making those claims). This amendment was to enable consumers with coeliac disease to continue to make suitable choices appropriate for their condition within the range of alcoholic beverages and other food containing alcohol.<sup>13</sup>.

#### 2.4 FSANZ technical assessment

As noted in section 1.2 above, the FMM raised concerns about sugar claims on alcoholic beverages in November 2017 and 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. The communiqué from their meeting states: Ministers are aware of an increasing number of alcoholic beverages for sale in Australia and New Zealand with the claim they are '% sugar-free' and they are concerned that these claims are misleading and that alcohol is being promoted as a healthier choice for consumers when public health advice is to limit alcohol intake (Food Regulation Secretariat 2017).

In response, FSANZ undertook a technical assessment <sup>14</sup> to determine whether changes to the Code were required. The technical assessment concluded the policy intent was that claims specifically about the 'sugar' content of foods containing more than 1.15% alcohol were not to be permitted by Standard 1.2.7 (FSANZ 2018). The exception to the prohibition on nutrition content claims about foods containing alcohol in Standard 1.2.7 was specifically for claims about 'carbohydrate content' because there were claims about carbohydrate on alcoholic beverages in the marketplace at the time the standard was developed, in particular 'low carb' beers.

During the technical assessment, no consumer evidence was found that specifically examined the effect of sugar claims on consumers' perceptions of alcoholic beverages or their behaviour. Some evidence was identified that indicated consumers may make inappropriate assumptions about the energy content and healthiness of alcoholic beverages making claims about carbohydrate content. Based on the evidence considered, it was unclear whether a similar effect would be found for sugar claims. The technical assessment therefore also concluded that to regulate claims about 'sugar' differently to claims about 'carbohydrate' could be seen to be inconsistent, particularly in light of the nature of claims that were in the marketplace at the time and the available consumer evidence.

In June 2018, the FMM considered the technical assessment and noted that in addition to the identified issues concerning sugar claims, there were also issues more broadly concerning carbohydrate claims on food that contain alcohol (Food Regulation Secretariat 2018). The meeting communique states: FSANZ has agreed to raise a proposal to clarify Standard 1.2.7 of the Australia New Zealand Food Standards Code in line with the original policy intent that prohibits claims on alcoholic beverages in relation to sugar and carbohydrate. Ministers further noted the work would be undertaken in the following 12 months.

However, in October 2018 the FMM asked FSANZ to consider mandatory labelling for pregnancy warning labels on packaged alcoholic beverages as a priority and that the work be expedited. Consequently, work on P1049 was slowed and ultimately paused when FSANZ was also asked to undertake work on energy labelling on alcoholic beverages.

<sup>&</sup>lt;sup>13</sup> Proposal P1035 – Gluten claims about Foods containing Alcohol

<sup>&</sup>lt;sup>14</sup> Technical Assessment - Carbohydrate claims about food containing alcohol

### 2.5 Request for consumer research

Following the CFS, in December 2023 the FMM asked FSANZ to undertake further consumer research to better understand whether carbohydrate and sugar claims on alcoholic beverages are misleading consumers and influencing purchasing decisions and to inform consideration of disqualifying criteria or other potential options. This was also expected to inform ministers' consideration of whether to prepare an addendum to the Policy Guideline on Nutrition, Health and Related Claims (Policy Guideline). 15.

In July 2024, the FMM considered the policy implications of the available evidence on carbohydrate and sugar claims on alcoholic beverages and opted not to provide an addendum to the Policy Guideline. Ministers also noted that, based on the evidence assessment, FSANZ expected to proceed with clarifying carbohydrate and sugar claims in the Code in parallel with its consideration of energy labelling on alcoholic beverages..<sup>16</sup>

### 2.6 Overseas regulations

#### 2.6.1 Codex Alimentarius

There is no Codex standard or guideline specific to the labelling of alcoholic beverages, and the Codex Guidelines for Use of Nutrition and Health Claims (CAC/GL 23-1997) and the Codex General Guidelines on Claims (CAC/GL 1-1979) do not refer to claims about food containing alcohol (Codex Alimentarius 1979,1997).

#### 2.6.2 European Union

European Union Regulation 1924/2006 (Article 4, clause 3) prohibits beverages containing more than 1.2% ABV from displaying health or nutrition claims. There are exceptions from this prohibition for claims relating to a reduction in energy or alcohol content of the beverage (Council of the European Union 2006).

#### 2.6.3 United States

In the United States of America (USA), the labelling of alcoholic beverages is regulated by the Food and Drug Administration (FDA) and the Alcohol and Tobacco Tax and Trade Bureau (TTB).

The TTB enforces the provisions of the Federal Alcohol Administration Act (FAA Act) which includes standards for regulating the labelling of alcoholic beverages under TTB Ruling 2004-1 (Office of the Law Revision Counsel 2011). This ruling applies to wines containing 7% or more ABV, distilled spirits and malt beverages. Numerical statements about energy and carbohydrate content on labels of these alcoholic beverages are permitted as long as they are truthful, accurate and not misleading. *Low carbohydrate* claims are permitted provided certain conditions are met (Department of the Treasury Alcohol and Tobacco Tax and Trade Bureau 2004). The TTB consider that as sugar is a type of carbohydrate, sugar content statements are considered to be a carbohydrate claim and are permitted provided they are accompanied by either a Servings Facts statement or a statement of the Average Analysis as set out in TTB Ruling 2013-2 (Department of the Treasury Alcohol and Tobacco Tax and Trade Bureau 2013), and TTB Ruling 2004-1 (Department of the Treasury Alcohol and Tobacco Tax and Trade Bureau 2004) respectively (Department of the Treasury Alcohol and Tobacco Tax and Trade Bureau 2014).

<sup>&</sup>lt;sup>15</sup> Food Ministers' Meeting communique 1 December 2023

<sup>&</sup>lt;sup>16</sup> Food Ministers' Meeting communique 25 July 2024

The labelling of food containing less than 7% ABV, other than beverages that meet the definition of 'malt beverage' under the FAA Act, is regulated under Title 21 (Food and Drugs) of the Code of Federal Regulations. Beers that are not made from both malted barley and hops but are instead made from substitutes for malted barley (such as sorghum, rice or wheat) or are made without hops are regulated under Title 21, regardless of their alcohol content. Under Title 21, claims about sugar such as *sugar-free* and *reduced sugar* are permitted provided specified conditions are met. Percent sugar free claims and claims about carbohydrate content are not permitted (U.S Food & Drug Administration 2024).

#### 2.6.4 Canada

The Canadian Food and Drug Regulations include labelling requirements and permissions for food, including alcoholic beverages. This includes requirements for nutrient content claims (B.01.500) (Government of Canada 2024b). A limited number of claims in relation to sugar content are permitted, including *sugar-free*, *reduced in sugars*, *lower in sugars*, *no added sugars* and *unsweetened* (Government of Canada 2024c). Percent sugar free claims and claims referring to carbohydrate e.g. *low carbohydrate* are not permitted.

However, section B.01.301 of the Regulations permits quantitative statements about the amount of a nutrient in a food under specified conditions (Government of Canada 2024a). For carbohydrates, this may be expressed as the number of grams per serving of stated size e.g. '8 g of carbohydrate per 30 g serving'.

# 3 Summary of the findings

### 3.1 Summary of issues raised in submissions

FSANZ sought public comment via a CFS on the proposed draft variations to the Code from 24 July to 4 September 2023. A total of 82 (including three late) submissions were received during that period: 55 from industry (including 40 from small brewers based on a submission template provided by the Independent Brewers Association), 16 from public health & consumer agencies, nine from government (including Wine Australia), and two from individuals. The submissions are available on the FSANZ website.

In summary, most industry submitters supported FSANZ's proposed approach to clarify the existing permission to make nutrition content claims about carbohydrate content by expressly permitting nutrition content claims about sugar(s) on food containing more than 1.15% ABV. Their key reasons for supporting the approach included that there would be certainty for claims, it was aligned with the consumer evidence, there would be no cost impact and permitting claims supports informed consumer choice and product innovation.

Some industry submitters supported the status quo over FSANZ's preferred approach because they considered the current wording of Standard 1.2.7 permits sugar-related claims and there is no clear evidence to support a change to the Code.

Public health, consumer and government submitters were largely not supportive of the proposed approach as they considered prohibiting claims would give priority to protecting and improving public health and safety in line with ministerial policy guidance and FSANZ objectives, provide clarity and certainty for enforcement and be consistent with the evidence that nutrition content claims can be misleading.

Attachment D of this report provides a summary of the issues raised in submissions to the CFS and FSANZ's response.

### 3.2 Targeted consultation

#### 3.2.1 Pre public consultation

Prior to the CFS, FSANZ undertook targeted consultations with key stakeholders from the alcohol industry, public health and consumer groups and jurisdictions in July 2022. A list of stakeholder organisations and groups represented at these meetings and a summary of their views is provided in Attachment C and section 4 of the CFS respectively.

The purpose of these consultations was to seek views on clarifying requirements in the Code with respect to nutrition content claims about carbohydrate and sugar on alcoholic beverages to inform the development of the CFS. A range of potential options were discussed, from the status quo through to removing the current permission for nutrition content claims about carbohydrate (which would clarify that nutrition content claims about the sugar content of alcoholic beverages are not permitted).

Other options considered included permitting certain carbohydrate and sugar claims (e.g. comparative claims) only and permitting only comparative carbohydrate and sugar content claims on alcoholic beverages that also met the condition for a reduced energy claim. There was limited stakeholder support for these two options. Most stakeholders considered the selection of an appropriate reference food.<sup>17</sup> for making comparative claims would be problematic for alcoholic beverages.

#### 3.2.2 Post public consultation

In October 2024, FSANZ met with key public health and consumer stakeholders to discuss the findings from FSANZ's consumer research. These stakeholders expressed their opposition to claims being permitted on alcoholic beverages and raised concerns about the methodology and interpretation of the research, particularly in the context of broader concerns around the marketing of alcohol and its harmful effects on a population level.

In November 2024, FSANZ undertook targeted consultations with representatives from the alcohol industry, public health and consumer groups and jurisdictions on the final assessments of both proposals P1059 and P1049. At these meetings public health and consumer groups again reiterated their opposition to claims being permitted on alcoholic beverages and advised of the imminent release of new consumer research relevant to P1049. This new research was considered in the update to the rapid systematic literature review (see Supporting document 1). Industry stakeholders indicated their support for the proposed approach, and government stakeholders raised no objections.

#### 3.3 Evidence assessment

#### 3.3.1 Consumer trends and changing market

In recent national health surveys, 78.8% of Australian adults (aged 18 years and older) and 80.3% of New Zealand adults (aged 15 years and older) reported consuming alcohol on any occasion over the previous year (ABS 2018; New Zealand Ministry of Health 2019), with 55.0% of Australian adults consuming alcohol during the previous week (ABS 2018). Over the last 10 years per capita consumption of pure alcohol has generally been decreasing in

<sup>&</sup>lt;sup>17</sup> **reference food**, in relation to a claim, means a food that is:

<sup>(</sup>a) of the same type as the food for which the claim is made and that has not been further processed, formulated, reformulated or modified to increase or decrease the energy value or the amount of the nutrient for which the claim is made: or

<sup>(</sup>b) a dietary substitute for the food in the same \*food group as the food for which the claim is made.

New Zealand (Statistics New Zealand 2024). In Australia, it has generally remained steady over the same time period (Australian Institute of Health and Welfare 2024a & 2024b).

Over the last five years consumer interest in health and wellness has increased (IBISWorld 2024a). Consumers are growing increasingly conscious of their dietary choices and choosing to moderate their alcohol intake (PlayInnovation 2018; Food and Beverage Media Pty Ltd 2022; IWSR 2022).

There has also been an increased focus on sugar intakes and the sugar content of food and beverages in more recent years. In 2015, the World Health Organisation (WHO) published a new guideline providing recommendations on the intake of free sugars to reduce the risk of non-communicable diseases in adults and children (WHO 2015). Following this, the Australian Department of Health prepared a paper with a summary of current issues and policies relating to sugars in Australia and New Zealand (Australian Department of Health 2017). The paper noted that government, public and media attention towards added and total sugar had noticeably increased in recent years.

Industry reports note there has been a change in drinking preferences and behaviour. A consumer trend for 'healthier' alternatives is driving innovation in the alcohol industry, which has led to an array of new products on the market in both Australia and New Zealand (Wine Australia 2019, Euromonitor 2024). These include low/no sugar, low carbohydrate, and low energy beers, ciders and traditional ready-to-drink alcoholic beverages (RTDs; e.g. gin and tonic), as well as products such as 'hard' seltzers and alcoholic kombuchas. Industry stakeholders have advised that low carbohydrate, calorie and sugar products are now a large and established part of the market.

When this matter was initially referred to FSANZ in 2017, there was an advertising campaign in both Australia and NZ that promoted nutritional information about beer. The campaign included advertising and labelling of some brands of beer as '99.9% sugar free'. At that time, concerns were raised suggesting the campaign was misleading consumers and diverting consumers attention away from the harms associated with alcohol consumption (Drink Tank 2016; Advertising Standards Authority 2018). FSANZ understands this campaign has since been discontinued.

#### 3.3.2 Composition

Foods containing more than 1.15% ABV are predominantly beverages. Other types of food that can contain more than 1.15% ABV are soy sauce and vanilla extract (FSANZ 2022; The New Zealand Institute for Plant & Food Research Limited and Ministry of Health 2022).

In most alcoholic beverages, alcohol is the main source of energy. However, other components, primarily carbohydrate in the form of sugar, can also contribute to total energy content.

The carbohydrate and sugar content of alcoholic beverages varies across categories (e.g. beer, wine, spirits) and across different products within categories (e.g. lager and stout, white wine and fortified wine). While the carbohydrate content will be equal to or similar to the sugar (mono and disaccharides) content in most alcoholic beverages, some may also contain other forms of carbohydrate (e.g. maltodextrin in beer).

Most beers and spirits inherently contain very little sugar. The sugar content of wines varies depending on a combination of factors related to the grape growing process (e.g. climate, ripeness) and the winemaking techniques (e.g. degree of fermentation). The sugar content of ciders varies for similar reasons, as well as from the addition of sugar to some products. RTDs can contain considerable amounts of sugar, primarily where alcohol is mixed with a

sugar-sweetened beverage.

Hard seltzers have gained popularity since they were introduced into the Australian and New Zealand markets in 2019 (DrinksTrade 2019; New Zealand Story 2022), primarily due to their lower carbohydrate and lower sugar content compared to other alcoholic beverages. Generally, hard seltzers are also lower in energy despite their alcohol content being comparable to full strength beer.

Table 1 outlines the average carbohydrate, sugar and energy content of some common alcoholic beverages.

Table 1: Average carbohydrate, sugar and energy content of alcoholic beverages\*

Beverage	Carbohydrate	Sugar	Energy
_	(grams per 100 mL)	(grams per 100 mL)	(kJ per 100 mL)
Beer, full strength	2.3	0	153
Beer, full strength	1.2	0.2	119
lower carbohydrate			
Beer, stout	2.7	0.2	144
Wine, white	0.8	0.1	307
Wine, red	1.1	0.1	353
Wine, sparkling	1.3	0.8	306
Port	12.9	12.9	624
Spirits e.g. gin, rum,	0.1	0.1	856
whiskey, vodka			
Cider, apple	8.2	8.1	251
Cider, apple	4.5	3.2	180
lower carbohydrate			
RTD - rum and cola	9.4	9.3	266
4.6% ABV			
RTD - rum and cola zero	0.1	0	107
4.6% ABV			
RTD - gin & tonic	4.5	4.5	202
5.3% ABV			
RTD – gin and tonic lower	0	0	121
sugar			
5.5% ABV			
Hard Seltzer	0.5	0.3	124

<sup>\*</sup> Values derived from label data for packaged alcoholic beverages available for retail sale in Australia and New Zealand 2021-2023, industry website information, The Australian Wine Research Institute Wine Compositional Database, The Australia Food Composition Database (FSANZ 2022) and The New Zealand Food Composition Database (The New Zealand Institute for Plant & Food Research Limited and Ministry of Health 2022). Some values have been updated following the CFS.

#### 3.3.3 Prevalence of carbohydrate and sugar claims on alcoholic beverages

Over the last decade there has been an increase in the prevalence of alcoholic beverages that carry nutrition content claims about sugar and/or carbohydrate.

In 2020, FSANZ undertook a limited qualitative survey of nutrition information on the labels of alcoholic beverages for sale at major liquor retail outlets and supermarkets in Australia (two stores in Canberra) and New Zealand (three stores in Wellington).

Table 2 summarises the types of carbohydrate and sugar claims made on different categories of alcoholic beverages identified in the survey. FSANZ does not have any information on the market share of the alcoholic beverages with these claims. No carbohydrate or sugar content claims were identified on wines, spirits or liqueurs during the survey.

Table 2: Sugar and carbohydrate claims on alcoholic beverages from a limited survey undertaken in 2020

Alcoholic beverage type	Carbohydrate claims	Sugar claims
	Lower carb*	X % sugar free
	Low carb	
	Extra low carb	
	Ultra low carb	
Beer	X % fewer carbs*	
	X % less carbs*	
	X % carbs	
	No-carb	
Cider	Low carb	No added sugar
	Lower carb	X % less sugar
	X % lower carbs	Contains X % less sugar
		Lower sugar*
		Low sugar
RTD vodka	No carbs	X g sugar
		< X g sugar
		No sugar
DTD	Nicosala	Zero sugar
RTD gin	No carbs	< X g sugar No sugar
RTD bourbon/whiskey		X g sugar
N 1D bourbon/whiskey		Zero sugar
		No sugar cola
		Zero sugar cola
Seltzers	X g carbs	Low sugar
	3	Low in sugar
		X g sugar
		Less than X g sugar
		Less than X % sugar
		No sugar
		Zero sugar
Other e.g. alcoholic mineral		Lower sugar
water, kombucha	Low carbs	No sugar

The prevalence of nutrition content claims on alcoholic beverages in Australia was more recently investigated by Barons et al. (2022) and Haynes et al. (2022), using different methodologies.

In 2021, Barons et al. (2022) conducted an in-store audit of 850 products across five categories of alcoholic beverages. <sup>18</sup> at the largest alcohol retailer in Melbourne. Low carbohydrate claims were present on 5.9% of alcoholic beverages sampled. Low sugar claims were also present on 5.9% of products, however the frequency of claims across beverage categories was different. Table 3 details these findings. No carbohydrate or sugar claims were observed on wine or spirits. All products carrying a nutrition content claim also provided a NIP consistent with current Code requirements (see Section 2.1).

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<sup>&</sup>lt;sup>18</sup> Wine (n = 200), beer (n = 200), spirits (n = 200), RTDs (n = 140) and ciders (n = 110)

Table 3: Frequency of carbohydrate and sugar nutrition content claims in an in-store sample of beverages available for retail sale in Victoria, Australia in 2021

	Total (n 850)	Beers (n 200)	RTDs (n 140)	Ciders (n 110)
Low carbohydrate claims	50 (5.9%)	23 (11.5%)	23 (16.4%)	4 (3.6%)
Low sugar claims	50 (5.9%)	10 (5%)	32 (22.9%)	8 (7.3%)

In contrast, Haynes et al. (2022) conducted an online audit of all beers, ciders and RTDs, as well as selected wines, on the website of the largest liquor retailer in Australia in 2020. Spirits and liqueurs were not included. Carbohydrate claims were observed on 3.7% of all beers, ciders and RTDs audited. In this study, sugar claims were more common as they were identified on 6.9% of all beers, ciders and RTDs. Table 4 details these findings.

Table 4: Frequency of carbohydrate and sugar nutrition content claims in an online audit of beverages available for retail sale in Australia in 2020

	Total (n 2332)	Beers (n 1564)	RTDs (n 407)	Ciders (n 361)
Carbohydrate claims	86 (3.7 %)	46 (2.9 %)	26 (6.4 %)	14 (3.9 %)
Sugar claims	161 (6.9 %)	19 (1.2 %)	80 (19.7 %)	62 (17.2 %)

Consistent with Barons et al. (2022), Haynes et al. (2022) found that sugar and carbohydrate claims were not prevalent on wines in Australia. Carbohydrate claims were not observed on any wines and only one wine carried a sugar claim.

Haynes et al. (2022) also reported that other 'health-oriented' claims were prevalent on alcoholic beverages, such as 'natural', 'preservative free' and 'fruit ingredients'.

FSANZ has not found any recent studies investigating the prevalence of nutrition content claims on alcoholic beverages in New Zealand, however it is likely to be similar to the Australian market due to the similarity of products available in the two countries.

#### 3.3.4 Consumer evidence

FSANZ has considered the available evidence on consumer understanding, perceptions and behaviours relating to carbohydrate and sugar claims on alcoholic beverages and undertaken its own consumer research. This included a systematic review of the existing evidence base (FSANZ 2023), a high-quality randomised controlled trial to test the effects of carbohydrate and sugar claims on consumer perceptions and behaviours (FSANZ 2024) and an update to the 2023 literature review (see Supporting document 1). This section outlines the conclusions from this evidence.

#### 3.3.4.1 Consumer literature review

In 2023, FSANZ undertook a rapid systematic review to examine existing evidence on consumer value, perceptions and behaviours in response to carbohydrate and sugar claims on alcoholic beverages (FSANZ 2023). FSANZ subsequently undertook a supplementary literature review to update the evidence base completed in January 2025 (see Supporting document 1).

Both the original and updated review found that consumers generally have a poor understanding of the nutritional properties of alcoholic beverages, based on their general

knowledge. Consumers tend to overestimate the sugar content of all types of alcoholic beverages (wine, beer, spirits, cider, RTDs). Consumers' ability to estimate the carbohydrate content of alcoholic beverages is also poor, with consumers tending to overestimate the carbohydrate content of beer in particular.

Both the original and updated review found that consumers generally value sugar claims on alcoholic beverages and may also value carbohydrate claims on alcoholic beverages.

The updated review has strengthened the evidence base around the effect that carbohydrate and sugar claims have on consumers' perceptions of alcoholic beverages. The updated review found that carbohydrate and sugar claims cause consumers to make some inaccurate assumptions about alcoholic beverages. They cause consumers to perceive alcoholic beverages as healthier, less harmful to health, lower in sugar, lower in energy, more helpful for weight management and/or more suitable as part of a healthy diet than the same beverages without a claim. However, they do not cause consumers to perceive alcoholic beverages as overall healthy, unharmful to health, low in energy, helpful for weight management, and/or suitable as part of a healthy diet. The weight of evidence also indicates that carbohydrate and sugar claims do not affect consumer perceptions of alcohol content.

The updated review has strengthened the evidence base around consumers' behavioural responses to carbohydrate and sugar claims. The updated review found that carbohydrate and sugar claims have no effect on consumers' consumption intentions. That is, they have no effect on the number of drinks consumers intend to consume and do not affect consumers' intention to try, purchase, or binge drink alcoholic beverages.

#### 3.3.4.2 Consumer testing of carbohydrate and sugar claims on alcoholic beverages

In 2024, FSANZ undertook a high-quality randomised controlled trial with a nationally representative sample of more than 2,500 Australian and New Zealand consumers to investigate consumer perceptions and behaviours in response to carbohydrate and sugar claims on alcoholic beverages (FSANZ 2024). An expert reference group consisting of three independent academics provided advice on the research design and methodology, and peer reviewed the final report.

The research addressed key limitations of the 2023 literature review by testing consumer responses to carbohydrate and sugar claims on alcoholic beverages:

- using a nationally representative sample of consumers, and
- when mandatory nutrition information is provided.

Participants viewed three different types of sugar or carbohydrate claims for their beverage type (RTD or beer) across six different images. The claims selected reflect those most commonly observed in the marketplace, with the purpose of determining their overall effect on consumer perceptions and behaviour. The unique effect of specific sugar or carbohydrate claims (e.g. 99.9% sugar free vs low sugar) was not able to be determined due to the number of conditions and associated limitations in the sample size for each condition.

The research found that carbohydrate and sugar claims have no effect on consumers' consumption intentions or likelihood of modifying their food intake or physical activity. That is, the presence of carbohydrate or sugar claims do not change the number of alcoholic beverages consumers intend to consume, nor do they make consumers more or less likely to modify their food intake or physical activity to compensate for the energy from alcoholic beverages. This is consistent with the findings of the updated literature review (see section 3.3.4.1 above).

Also consistent with the findings of the updated literature review (see section 3.3.4.1 above), the research found that carbohydrate and sugar claims have no effect on consumers' perceptions of alcohol content.

The research found that carbohydrate and sugar claims cause consumers to make some inaccurate assumptions about alcoholic beverages. That is, alcoholic beverages with claims are seen as being healthier, less harmful to health, and lower in energy compared to the same alcoholic beverage with no claim. Claims also reduce consumers' understanding that an alcohol-free alternative is better for weight management. These effects are small (Cohen's d range: 0.17 - 0.39). Overall, consumers do not perceive alcoholic beverages as being healthy, unharmful to health, or low in energy regardless of the presence or absence of claims. Rather, consumers rate alcoholic beverages both with and without claims as being somewhere in the middle of the scales; neither healthy nor unhealthy, harmful nor unharmful to health, low nor high in energy. This is consistent with the findings of the updated literature review (see section 3.3.4.1 above).

#### 3.3.4.3 Conclusion

The weight of evidence indicates that consumers generally value sugar claims on alcoholic beverages and may also value carbohydrate claims. While carbohydrate and sugar claims have a small effect on consumers' perceptions of the healthiness of alcoholic beverages, they do not cause consumers to perceive alcoholic beverages as overall healthy, unharmful to health, low in energy, helpful for weight management, and/or suitable as part of a healthy diet. They also have no effect on consumers' perceptions of alcohol content when presented with front- and back-of-pack labelling typical in the marketplace. Carbohydrate and sugar claims have no effect on the number of alcoholic beverages consumers intend to consume, their likelihood of trying, purchasing, or binge drinking alcoholic beverages, or their likelihood of modifying food intake or physical activity to compensate for the energy from alcoholic beverages.

The totality of consumer evidence indicates that, although a small effect was observed, carbohydrate and sugar claims do not have a meaningful impact on consumer perceptions.

# 4 Risk management

# 4.1 Nutrition content claims about carbohydrate and sugar content

#### 4.1.1 Decision

For the reasons set out in this report, FSANZ's decision is to approve the draft variation proposed at the call for submissions with minor amendments, which will amend the Code to:

- clarify that nutrition content claims can be made about carbohydrate content; and sugar
  or sugars content on food (including alcoholic beverages) containing more than 1.15%
  ABV (noting carbohydrate content, and sugar or sugars content constitute exceptions
  to the prohibition on nutrition content claims on food containing more than 1.15% ABV);
- expressly prohibit nutrition content claims about a food containing more than 1.15% ABV that name or refer to a component of carbohydrate (other than sugar or sugars); or individually refer to any specific sugars.

#### 4.1.2 Rationale

Following consideration of submissions received in response to the CFS (see section 3.1), feedback received from targeted consultations (see section 3.2), and further consumer evidence (see section 3.3.4 and Supporting document 1), and for the reasons set out in this report, FSANZ's decision is to maintain the proposed risk management approach at CFS. That is, to amend the Code to clarify that nutrition content claims about sugar, a component of carbohydrate, can be made. To ensure claims about carbohydrate and sugar on food containing more than 1.15% ABV are restricted to only nutrition content claims about carbohydrate and sugar content, the approved draft variation also clarifies that claims about other components of carbohydrate or individually named sugars (e.g. fructose) are not permitted. In addition, permitted nutrition content claims will continue to be subject to consumer and fair-trading laws that require labels do not misinform consumers through false, misleading or deceptive representations.

During the development of the provision for claims about carbohydrate content in Proposal P293, claims about components of carbohydrate such as sugar were not specifically considered. However, subsequently, some alcoholic beverages manufacturers interpreted the permission to make claims about carbohydrate content as a permission to also make claims about sugar content. Nutrition content claims about carbohydrate content and sugar content are both established in the market (see section 3.3.3).

In 2017, the FMM raised concerns about sugar claims on alcoholic beverages, specifically that % sugar free claims are misleading and that alcohol is being promoted as a healthier choice for consumers when public health advice is to limit alcohol intake. In addition, enforcement agencies in Australia and New Zealand reported the Code is unclear as to whether nutrition content claims about sugar are permitted on alcoholic beverages.

FSANZ's technical assessment, completed in 2018, concluded the policy intent was that claims specifically about the sugar content of foods containing more than 1.15% ABV were not to be permitted by Standard 1.2.7 given the exception to the prohibition on nutrition content claims about that food in Standard 1.2.7 was for claims about 'carbohydrate content'. 'Components of carbohydrate' is listed separately to 'carbohydrate' in the definition of nutrition content claims (section 1.1.2—9). The assessment also found that to regulate claims about 'sugar' differently to claims about 'carbohydrate' could be seen to be inconsistent, particularly in light of the nature of claims that were in the marketplace at the time and the available consumer evidence. Following consideration of the technical assessment by the FMM, FSANZ agreed to prepare a proposal to clarify Standard 1.2.7 in line with the Policy Guideline on Nutrition, Health and Related Claims, which states that consideration should be given to excluding claims from certain categories of foods such as alcohol (see sections 2.2.1.1 and 2.4).

As outlined in section 3.1, while most industry submitters supported FSANZ's proposed approach at CFS to retain the existing permission to make nutrition content claims about carbohydrate content and clarify permissions for claims about sugar on food containing more than 1.15% ABV, the majority of public health, consumer and government submitters did not.

In summary, industry submitters supported clarifying permissions for sugar claims because factual information valued by consumers would be available and the information supports informed choice. They commented the approach would provide industry with clarity and certainty, align with the available evidence which does not suggest the claims affect level of consumption, have no financial impact on manufacturers and would support product innovation.

In contrast, public health, consumer and government submitters stated the proposal should

be considered in the context of minimising alcohol-related harm and that claims may detract from the fact that alcohol is a harmful substance. Submitters commented that no evidence was provided to support the statement that sugar claims enable consumers to make informed choices and that a clarified understanding of carbohydrate and sugar content does not outweigh the negative impact of alcohol. Submitters stated there is strong evidence nutrition content claims can create a 'health halo effect' and mislead consumers. Most public health, consumer and government submitters supported prohibiting both carbohydrate and sugar claims because they considered such an approach would address the FMM concerns, give priority to protecting and improving public health and safety in line with FSANZ's objectives, align with policy guidelines, dietary guidelines and public health policies about obesity and alcohol consumption and would provide clarity and certainty for nutrition content claim permissions in the Code.

FSANZ has considered submitter comments and the available evidence, including recently available studies (see section 3.3.4.1 and Supporting document 1) and high-quality consumer research undertaken by FSANZ after the CFS was released (see section 3.3.4.2).

The evidence indicates consumer preferences for 'healthier' alternatives is driving product innovation in the alcoholic beverage sector and that over the last decade there has been an increase in the prevalence of carbohydrate and sugar claims. FSANZ has estimated that currently 6% of alcoholic beverage stock-keeping-units (SKUs) display a nutrition content claim about carbohydrate, sugar, or energy content (see section 4.3.1.1).

The consumer evidence indicates carbohydrate and sugar claims have no effect on the number of alcoholic beverages consumers intend to consume or their likelihood of trying, purchasing, or binge drinking alcoholic beverages. They also have no effect on consumers' likelihood of modifying food intake or physical activity to compensate for the energy from alcoholic beverages. While carbohydrate and sugar claims have a limited impact on consumer perceptions' of the healthiness of alcoholic beverages, they do not cause consumers to perceive alcoholic beverages as being overall healthy, unharmful to health, low in energy, helpful for weight management, and/or suitable as part of a healthy diet. They also have no effect on consumers' perceptions of the alcohol content of alcoholic beverages. The totality of consumer evidence therefore indicates that carbohydrate and sugar claims do not have a meaningful impact on consumer perceptions.

The evidence also indicates consumers generally value sugar claims on alcoholic beverages and may also value carbohydrate claims. As alcoholic beverages are exempt from providing a NIP with the average quantity of sugar, sugar content claims can serve as a source of information for consumers who choose to drink alcoholic beverages and are seeking low and no added sugar alternatives, enabling informed choices.

FSANZ considered a range of potential options for clarifying the requirements with respect to nutrition content claims about carbohydrate and sugar on alcoholic beverages (see Attachment D of the CFS and section 4.3 of this report). In relation to options to permit comparative claims only, FSANZ considers these options are not well supported by the available evidence, would not adequately address the problem in clarifying the Code and pose technical difficulties for implementation and enforcement. Additionally, there was limited stakeholder support for these options.

Overall, the totality of evidence indicates carbohydrate and sugar claims on alcoholic beverages are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness and lack of effect on consumers' behavioural intentions to consume alcohol.

In considering FSANZ objectives, the evidence does not support prohibiting these claims

and unduly restricting industry innovation and consumer choice. Additionally, clarifying the existing permission for carbohydrate content claim, in relation to sugar as a component of carbohydrate, is not inconsistent with the Policy Guideline on Nutrition, Health and Related Claims, noting the FMM did not provide an addendum to the policy guideline. Nor does the evidence suggest it is inconsistent with the Policy Guideline on Food Labelling to Support Consumers to Make Informed Healthy Choices, the Australian and New Zealand dietary guidelines or public health policies associated with alcohol consumption or obesity.

The approach will provide clarity and certainty for industry and government in the implementation and enforcement of the limited voluntary nutrition content claims permitted to be made about alcoholic beverages (paragraph 1.2.7—4(1)(c) of the approved draft variation). Nutrition content claims about sugar or sugars will also provide information to enable consumers who choose to consume alcoholic beverages and are seeking low and no added sugar alternatives to make informed choices.

#### 4.1.2.1 Nutrition content claims about specifically named sugars

As noted in the CFS, amending provisions for claims about sugar or sugars content could create uncertainty about whether claims about individually named sugars (e.g. fructose, lactose) are permitted. We have therefore clarified that nutrition content claims about individually named sugars are not permitted on food containing more than 1.15% ABV (subsection 1.2.7—4(2) in the approved draft variation).

Some industry submitters did not support prohibiting lactose-free claims as they considered 'lactose-free' claims could inform consumers that a product of a style commonly containing lactose is lactose-free. FSANZ notes that lactose is not an allergen however some people have an intolerance to lactose and may therefore seek low lactose or lactose-free foods. FSANZ's decision to not permit claims about individually named sugars is consistent with the overall intent to prohibit nutrition content claims about components of carbohydrate other than sugar or sugars and the general prohibition of nutrition content claims on alcoholic beverages (unless specifically permitted). FSANZ is not aware of any lactose-free claims being displayed on alcoholic beverages for sale in Australia and New Zealand. Permissions for lactose-free claims on alcoholic beverages vary in other countries. Such claims are prohibited in the EU but permitted in Canada. In the USA, permissions depend on the type of alcoholic beverage (see section 2.6).

Some industry submitters also commented that many sugars are used in brewing for flavour and aroma (e.g. dextrose, lactose, honey) and that if such a sugar is mentioned on the label it should not constitute a nutrition content claim. As discussed above, nutrition content claims about individual sugars are not permitted. The definition of nutrition content claim does not include claims about the presence or absence of honey and raw sugar (section 1.1.2—9), therefore the prohibition of nutrition content claims on food containing more than 1.15% ABV (unless specifically permitted) does not prevent claims such as 'contains honey' from being made. Furthermore, the Code permits such food to be voluntarily labelled with a statement of ingredients. Producers can therefore communicate information about the use of ingredients such as honey and raw sugar as well as specific sugars used as an ingredient (e.g. dextrose, lactose) via a voluntary statement of ingredients.

#### 4.1.2.2 Nutrition content claims about carbohydrate content

As discussed in the CFS, the permission in the Code to make claims about carbohydrate content has been interpreted by some manufacturers as a permission to also make claims about sugar, a component of carbohydrate. The Code has been amended to clarify that nutrition content claims about components of carbohydrate are not permitted on food containing more than 1.15% ABV, other than claims about sugar or sugars.

In response to a submitter seeking clarification about whether dietary fibre is a component of carbohydrate as was stated in the CFS (page 22), FSANZ acknowledges this was incorrect in the context of the Code definition of 'carbohydrate' in section 1.1.2—2 which refers to 'available' carbohydrate (for further discussion, see response to submitter comments in Attachment D).

#### 4.1.2.3 Link with Proposal P1059 – Energy labelling on alcoholic beverages

FSANZ's decision for Proposal P1059 is to amend the Code to require the mandatory declaration of energy content information, in a prescribed format (referred to as an energy statement), on the label of packaged standardised alcoholic beverages and beverages containing no less than 0.5% ABV that are not standardised alcoholic beverages (see section 1.5.1). Currently, only alcoholic beverages displaying a nutrition content claim are required to declare energy content in a NIP.

Under Proposal P1059, the current requirement for a NIP when nutrition content and health claims are made on alcoholic beverages is being retained. Energy information will therefore be available on labels of all food containing more than 1.15% ABV (including alcoholic beverages), either in a NIP or an energy statement, irrespective of whether nutrition content claims are made. Consumers will be able to compare the energy content of beverages with and without claims, providing additional information for informed choice.

In addition, there will be a new requirement for the approximate number of standard drinks equivalent to one serving of the alcoholic beverage to be declared in the energy statement, or in a NIP, if provided, for certain alcoholic beverages.

#### 4.2 Risk communication

#### 4.2.1 Consultation

Consultation is a key part of FSANZ's open and transparent standards development process. FSANZ developed a communication strategy for this proposal.

FSANZ initially undertook targeted consultation with key stakeholders from the alcohol industry, public health and consumer groups and jurisdictions in July 2022, to seek views on preliminary options for this proposal (see section 3.2.1). FSANZ considered the views and information provided by these targeted stakeholders in its assessment.

The public call for submissions was open from 24 July to 4 September 2023. Eighty-two submissions were received. Subscribers and interested parties were notified about this call for submissions via the FSANZ Notification Circular, media release and through FSANZ's digital channels and Food Standards News.

In its assessment of this proposal, FSANZ had regard to all submissions received. FSANZ acknowledges the time taken by individuals and organisations to make a submission. All comments are valued and contribute to the rigour of our assessment.

In November 2024, following its consumer research, FSANZ undertook further targeted consultation to inform the final assessment.

The draft variation was considered for approval by the FSANZ Board having regard to all submissions made during the call for submissions and the views and information provided from further targeted consultation.

### 4.3 FSANZ Act assessment requirements

#### 4.3.1 Section 59

When assessing this proposal and in the subsequent development and approval of a food regulatory measure, FSANZ has had regard to the following matters in section 59 of the FSANZ Act.

#### 4.3.1.1 Consideration of costs and benefits

The FSANZ Act requires FSANZ to have regard to whether costs that would arise from the regulatory measure outweigh the direct and indirect benefits to the community, government or industry that would arise from the regulatory measure (paragraph 59(2)(a) of the Act).

The Office of Impact Analysis (OIA). Previously exempted FSANZ from the need to prepare a formal Consultation Regulation Impact Statement (CRIS) in relation to the regulatory change proposed in the CFS. The OIA was satisfied that extensive and ongoing consultation with affected stakeholders had occurred, and that a statutory consultation process would be undertaken. The CFS included a detailed CRIS equivalent (see Attachment D of the CFS).

The OIA also exempted FSANZ from the need to prepare a Decision Regulation Impact Statement (DRIS) for P1049 because the amendments in the approved draft variation are considered unlikely to have more than a minor regulatory impact<sup>21</sup>. Although a DRIS is not required, FSANZ has undertaken an assessment in accordance with the FSANZ Act requirements to consider the regulatory impacts and costs and benefits.

#### 4.3.1.1.1 Options considered

FSANZ considered three options for addressing the problems arising from the lack of clarity in the Code about whether nutrition content claims about sugar on alcoholic beverages are permitted and concerns raised by the FMM in 2017 in relation to these claims (see section 1.2). These options remain unchanged since the CFS.

#### 1. Maintain the status quo

In any consideration of changes to regulation, the status quo must be a part of FSANZ's assessment. Under the status quo option, carbohydrate and sugar claims on food that contains more than 1.15% ABV would likely continue to exist in the marketplace, but the regulatory status of sugar claims would remain unclear.

2. Clarify that nutrition content claims about sugar or sugars (as components of carbohydrate) can be made on food that contains more than 1.15% ABV.

Under this option, nutrition content claims about carbohydrate content would continue to be permitted on food that contains more than 1.15% ABV, but the Code would be amended to clarify that nutrition content claims about sugar or sugars content in that food can also be made. The existing conditions for making these claims would apply.

3. Remove the permission in the Code to make nutrition content claims about carbohydrate content on food that contains more than 1.15% ABV.

Under this option, the Code would be amended to remove the permission for making

<sup>&</sup>lt;sup>19</sup> Formerly The Office of Best Practice Regulation (OBPR).

<sup>&</sup>lt;sup>20</sup> Reference number OBPR22-02136.

<sup>&</sup>lt;sup>21</sup> Reference number OBPR22-02136.

nutrition content claims about carbohydrate on food that contains more than 1.15% ABV, including alcoholic beverages. Such a variation would also make it clear that nutrition content claims about sugar on these foods is likewise not permitted. A three-year transition period would be applied to allow sufficient time for producers to make relevant changes to labels and advertising.

FSANZ has estimated 6% of alcoholic beverage stock-keeping-units (SKUs) currently display a nutrition content claim. Excluding SKUs that make energy content claims, affected SKUs under option 3 labelled with carbohydrate and/or sugar content claims are therefore estimated at less than 6% of total alcoholic beverage SKUs.

#### 4.3.1.1.2 Costs and benefits of each option

FSANZ has considered the costs and benefits of each option to determine which option would have the greatest net benefit. Net benefit means benefits minus costs.

Not all costs and benefits can be quantified due to either:

- a lack of available data, or
- the nature of the impact making it extremely difficult to quantify (e.g. how much consumers value carbohydrate and/or sugar claims).

Whether an impact is quantified or not does not reflect the significance of the impact.

FSANZ has taken into account all comments, information and evidence received in response to the CFS and targeted stakeholder consultations. This includes but is not limited to data on SKU numbers carrying carbohydrate and/or sugar claims, label change costs, and studies on consumer perceptions.

#### Option 1

The net benefit of the status quo by definition is zero as no amendments to the Code would be made. The status quo is the option against which the costs and benefits of all other options are considered.

#### Option 2

Option 2 would provide benefits of clarity and certainty for industry and government in the implementation and enforcement of voluntary nutrition content claims about carbohydrate and sugar on alcoholic beverages under the Code. Compared to the status quo (option 1), FSANZ considers it unlikely option 2 would have any benefit for consumers, as carbohydrate and sugar claims are already present in the marketplace.

Option 2 would not have any costs for industry or government. Based on the consumer evidence (see section 3.3.4), FSANZ also considers it unlikely there would be any costs for consumers.

Therefore, FSANZ considers that option 2 has net benefits over option 1, the status quo, as the benefits of option 2 are higher than the costs.

#### Option 3

Option 3 would also provide clarity and certainty for government about the nutrition content claims permitted on alcoholic beverages under the Code. FSANZ considers it unlikely option 3 would have any benefit for industry or consumers.

In relation to costs, of the three stakeholder groups, FSANZ expects industry will face the greatest costs under option 3.

Firstly, there would be costs of relabelling some alcoholic beverages to remove nutrition content claims about carbohydrate and/or sugar content for industry. FSANZ has a cost model for estimating label change costs.<sup>22</sup> per SKU affected by option 3. One SKU covers all containers with the same unique package type, shape, size, brand, contents and vintage. For instance:

- all 750 mL bottles of the same merlot red wine, produced by the same company and brand in the same year (a different SKU would be applied to a merlot wine produced by the same company in the same year but of another size e.g. 375mL); and
- all 330 mL cans of the same beer, of the same shape, produced by the same company.

FSANZ recognises that aligning label changes can reduce total relabelling costs for industry. Under option 3, there would be a three-year transition period, consistent with transitional arrangements for P1059 (see section 1.5.1). Therefore, industry could choose to align label changes required as a result of both P1049 and P1059. In the CFS, FSANZ presented label change costs for option 3 in isolation of P1059. Based on submitter feedback, FSANZ has now considered label change costs for option 3 when label changes under P1049 are aligned with changes required under P1059, as well as when done in isolation. The estimated label change costs of option 3 per affected SKU are set out in Table 5 below. The table also includes estimated savings to total label change costs under option 3 if changes are aligned with P1059 (see second row). All dollar values used in this assessment are Australian dollar values in December 2024 prices, unless stated otherwise.

Table 5: Estimated average label change costs of option 3 per affected SKU

Average costs per SKU	Bottle	Can	Cask
Total label change costs of option 3 in isolation. <sup>23</sup>	\$6,519	\$17,338	\$1,493
Net label change costs of option 3 when aligned with label changes required under P1059	\$4,882	\$9,924	\$1,164
Savings to total label change costs of aligning option 3 with label changes required under P1059	25%	43%	22%

It should be noted, the cost figures above are indicative averages only. Label change costs for an individual SKU may be notably less or more than the per SKU average for their package type. The cost depends on factors such as printing technologies, available label space and local costs for different services involved for label changes. Some businesses may also carry a proportionately higher cost burden of label changes, including some small brewers. Conversely, others will have proportionally lower than average costs.

Under option 3, FSANZ expects other costs to businesses (e.g. costs of re-branding alcoholic beverages) to be far greater than the costs of changing labels. Costs of re-branding would be very variable and unpredictable depending on businesses' unique circumstances and therefore cannot be quantified.

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<sup>&</sup>lt;sup>22</sup> For more information about the Label Change Cost Model, please see the bottom of the <u>FSANZ</u> webpage on Labelling of alcoholic beverages

<sup>&</sup>lt;sup>23</sup> Costs in the 2023 CFS plus producer price inflation since mid-2023.

For consumers who choose to drink alcoholic beverages, nutrition content claims about carbohydrate and sugar content can serve as a source of information enabling consumers to make informed choices while not affecting intended alcohol consumption or having a meaningful impact on perceptions of healthiness (see section 3.3.4). Therefore, prohibiting such claims and removing this information may limit consumers' ability to make informed choices in some circumstances. Removing carbohydrate and sugar claims would also remove information that consumers generally value (see section 3.3.4).

Therefore, FSANZ's assessment is that option 3 would impose more costs than benefits when compared to the status quo. Costs would be experienced by industry and consumers.

#### 4.3.1.1.3 Conclusions

Based on the assessment of cost and benefits, FSANZ has concluded that the regulatory measure (option 2) represents the greatest net benefit to the community, government and industry. Option 2 has no costs associated for any of those groups, it provides clarity for industry and enforcement agencies and, compared to option 3, also allows for the provision of additional information to enable consumers who choose to consume alcoholic beverages and are seeking low and no added sugar alternatives to make informed choices.

#### 4.3.1.2 Other measures

There are no other measures (whether available to FSANZ or not) that would be more costeffective than a food regulatory measure developed or varied as a result of the proposal.

#### 4.3.1.3 Any relevant New Zealand standards

The relevant standards apply in both Australia and New Zealand. There are no relevant New Zealand only standards.

#### 4.3.1.4 Any other relevant matters

Other relevant matters are considered below.

#### 4.3.2 Subsection 18(1)

FSANZ has also considered the three objectives in subsection 18(1) of the FSANZ Act during the assessment.

#### 4.3.2.1 Protection of public health and safety

Based on available evidence, FSANZ's assessment indicates that clarifying the requirements in the Code for making voluntary nutrition content claims about carbohydrate and sugar content on food that contains more than 1.15% ABV is unlikely to affect the protection of public health and safety of consumers who choose to consume alcoholic beverages.

# 4.3.2.2 The provision of adequate information relating to food to enable consumers to make informed choices

Clarifying requirements in the Code for making nutrition content claims about carbohydrate and sugar will provide information for those consumers who choose to consume alcoholic beverages and are seeking low and no added sugar alternatives, enabling them to make informed choices. The current requirement to provide a NIP when a claim is made provides

additional nutritional information to consumers to assist in making informed choices.

#### 4.3.2.3 The prevention of misleading or deceptive conduct

Evidence indicates carbohydrate and sugar claims do not mislead consumers to perceive alcoholic beverages as being overall healthy, unharmful to health, low in energy, helpful for weight management, and/or suitable as part of a healthy diet, and have no effect on the amount of alcohol consumers intend to consume. Therefore, clarifying the requirements for making voluntary nutrition content claims about carbohydrate and sugar on alcoholic beverages will not lead to consumers being misled.

#### 4.3.3 Subsection 18(2) considerations

FSANZ has also had regard to:

#### the need for standards to be based on risk analysis using the best available scientific evidence

FSANZ's assessment used the best available evidence. This included an updated rapid systematic review of existing literature on consumer value, perceptions and behaviours in response to carbohydrate and sugar claims on alcoholic beverages (see section 3.3.4.1) and a high-quality randomised controlled trial investigating the effect that carbohydrate and sugar claims have on Australian and New Zealand consumers' perceptions and behaviours around alcoholic beverages (see section 3.3.4.2).

#### the promotion of consistency between domestic and international food standards

There is no relevant international food standard i.e. Codex standard or guideline (see section 2.6.1).

#### the desirability of an efficient and internationally competitive food industry

Clarifying requirements in the Code around the permission to make voluntary nutrition content claims about carbohydrate and sugar content on food that contains more than 1.15% ABV will provide certainty for industry to be more efficient and competitive domestically in making nutrition content claims and when accessing some overseas markets where these claims are permitted e.g. USA and Canada.

#### the promotion of fair trading in food

The approved draft variation will provide clarity for implementation of the limited nutrition content claims that can be made on alcoholic beverages and a level playing field for the alcohol industry.

#### any written policy guidelines formulated by the Food Ministers' Meeting

Regard has been given to the relevant policy guidelines, the *Policy Guideline on Nutrition*, *Health and Related Claims*, and the *Policy Guideline on Food Labelling to Support Consumers Make Informed Healthy Choices*, as part of the assessment (see Section 2.2.1). In brief, FSANZ has assessed that amendments to the Code in the approved draft variation as being not inconsistent with both Policy Guidelines.

# 5 Implementation

### **5.1 Transitional arrangements**

The approved draft variation will commence on gazettal.

The stock-in-trade exemption provided by section 1.1.1—9 of Standard 1.1.1 will apply to the amendments made by the approved draft variation.

# 5.2 Monitoring and evaluation

It is good practice to monitor and evaluate labelling requirements in the Code. FSANZ will pursue options with the Food Regulation Standing Committee and other stakeholders with a view to establishing a plan for monitoring and evaluation of labelling of alcoholic beverages.

Non-food-policy entities within governments can also play a role in evaluation and monitoring food standards, including but not limited to food inspection and enforcement agencies and healthcare bodies. Monitoring and evaluation by these entities of the impact of clarifying the requirements in the Code for making voluntary nutrition content claims about carbohydrate and sugar claims on alcoholic beverages may form part of the evaluation of relevant broader government public health policy initiatives.

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# 7 Attachments

- Approved draft variation to the Australia New Zealand Food Standards Code Explanatory Statement A.
- B.
- Draft variations to the Australia New Zealand Food Standards Code (call for C. submissions)
- Summary of submitter issues raised and FSANZ response D.

# Attachment A – Approved draft variation to the Australia New Zealand Food Standards Code



Food Standards (Proposal P1049 – Carbohydrate and sugar claims on alcoholic beverages) Variation

The Board of Food Standards Australia New Zealand gives notice of the making of this variation under section 92 of the *Food Standards Australia New Zealand Act 1991*. The variation commences on the date specified in clause 3 of this variation.

Dated [To be completed by Delegate]

#### [Insert Delegate name and title]

Delegate of the Board of Food Standards Australia New Zealand

#### Note:

This variation will be published in the Commonwealth of Australia Gazette No. FSC XX on XX Month 20XX. This means that this date is the gazettal date for the purposes of clause 3 of the variation.

#### 1 Name

This instrument is the Food Standards (Proposal P1049 – Carbohydrate and sugar claims on alcoholic beverages) Variation.

#### 2 Variation to a Standard in the Australia New Zealand Food Standards Code

The Schedule varies a Standard in the Australia New Zealand Food Standards Code.

#### 3 Commencement

The variation commences on the date of gazettal.

#### Schedule

#### Standard 1.2.7—Nutrition, health and related claims

#### [1] Section 1.2.7—4

Repeal the section, substitute:

# 1.2.7—4 Restrictions on nutrition content claims and health claims about certain foods

- (1) A nutrition content claim or \*health claim must not be made about:
  - (a) kava; or
  - (b) an infant formula product; or
  - (c) a food that contains more than 1.15% alcohol by volume, other than a nutrition content claim about any of the following:
    - (i) salt or sodium content of a food that is not a beverage;
    - (ii) carbohydrate content;
    - (iii) energy content;
    - (iv) gluten content;
    - (v) sugar or sugars content.

**Note** Section 1.4.4—7 proscribes health claims and nutrition content claims in relation to cannabidiol in hemp food products.

- (2) A nutrition content claim about a food that contains more than 1.15% alcohol by volume must not name or refer to:
  - (a) a component of carbohydrate other than sugar or sugars; or
  - (b) individually named sugars.

**Example** A nutrition content claim that refers to fructose is not permitted.

# Attachment B – Explanatory Statement EXPLANATORY STATEMENT

Food Standards Australia New Zealand Act 1991

# Food Standards (Proposal P1049 – Carbohydrate and sugar claims on alcoholic beverages) Variation

### 1. Authority

Section 13 of the *Food Standards Australia New Zealand Act 1991* (the FSANZ Act) provides that the functions of Food Standards Australia New Zealand (the Authority) include the development of standards and variations of standards for inclusion in the *Australia New Zealand Food Standards Code* (the Code).

Division 2 of Part 3 of the FSANZ Act specifies that the Authority may prepare a proposal for the development or variation of food regulatory measures, including standards. This Division also stipulates the procedure for considering a proposal for the development or variation of food regulatory measures.

The Authority prepared Proposal P1049 to clarify requirements in the Code with respect to nutrition content claims about carbohydrate content and the components of carbohydrate (such as sugar) in relation to food (including alcoholic beverages) containing more than 1.15% alcohol by volume (ABV). The Authority considered the Proposal in accordance with Division 2 of Part 3 and has approved a draft variation: the *Food Standards (Proposal P1049 – Carbohydrate and sugar claims on alcoholic beverages) Variation* (the approved draft variation).

Following consideration by the Food Ministers' Meeting (FMM), section 92 of the FSANZ Act stipulates that the Authority must publish a notice about the draft variation.

#### 2. Variation is a legislative instrument

The approved draft variation is a legislative instrument for the purposes of the *Legislation Act* 2003 (see section 94 of the FSANZ Act) and is publicly available on the Federal Register of Legislation (<a href="https://www.legislation.gov.au">www.legislation.gov.au</a>).

This instrument is not subject to the disallowance or sunsetting provisions of the *Legislation Act 2003*. Subsections 44(1) and 54(1) of that Act provide that a legislative instrument is not disallowable or subject to sunsetting if the enabling legislation for the instrument (in this case, the FSANZ Act): (a) facilitates the establishment or operation of an intergovernmental scheme involving the Commonwealth and one or more States; and (b) authorises the instrument to be made for the purposes of the scheme. Regulation 11 of the *Legislation (Exemptions and other Matters) Regulation 2015* also exempts from sunsetting legislative instruments a primary purpose of which is to give effect to an international obligation of Australia.

The FSANZ Act gives effect to an intergovernmental agreement (the Food Regulation Agreement) and facilitates the establishment or operation of an intergovernmental scheme (national uniform food regulation). That Act also gives effect to Australia's obligations under an international agreement between Australia and New Zealand. For these purposes, the Act establishes the Authority to develop food standards for consideration and endorsement by the FMM. The FMM is established under the Food Regulation Agreement and the

international agreement between Australia and New Zealand, and consists of New Zealand, Commonwealth and State/Territory members. If endorsed by the FMM, the food standards on gazettal and registration are incorporated into and become part of Commonwealth, State and Territory and New Zealand food laws. These standards or instruments are then administered, applied and enforced by these jurisdictions' regulators as part of those food laws.

## 3. Purpose

The Authority has approved a draft variation to amend Standard 1.2.7 to clarify requirements for nutrition content claims about carbohydrate content and components of carbohydrate ('sugar' or 'sugars') in relation to food (including alcoholic beverages) containing more than 1.15% ABV.

## 4. Documents incorporated by reference

The approved draft variation does not incorporate any documents by reference.

## 5. Consultation

In accordance with the procedure in Division 2 of Part 3 of the FSANZ Act, the Authority's consideration of Proposal P1049 included one round of public consultation following an assessment and the preparation of a draft variation and associated report. Submissions were called for on 24 July 2023 for a 6-week consultation period. Further details of the consultation process, the issues raised during consultation and by whom, and the Authority's response to these issues are available in an approval report published on the Authority's website at www.foodstandards.gov.au.

The Office of Impact Analysis (OIA<sup>24</sup>) previously exempted FSANZ from the need to prepare a formal Consultation Regulation Impact Statement (CRIS) in relation to the regulatory change proposed in the CFS<sup>25</sup>. The OIA was satisfied that extensive and ongoing consultation with affected stakeholders had occurred, and that a statutory consultation process would be undertaken. The CFS included a detailed CRIS equivalent (see Attachment D of the CFS).

The OIA also exempted FSANZ from the need to prepare a Decision Regulation Impact Statement (DRIS) for P1049 because the amendments in the approved draft variation are considered unlikely to have more than a minor regulatory impact <sup>26</sup>. However, FSANZ has undertaken an assessment in accordance with the FSANZ Act requirements to consider the regulatory impacts and costs and benefits.

## 6. Statement of compatibility with human rights

This instrument is exempt from the requirements for a statement of compatibility with human rights as it is a non-disallowable instrument under section 44 of the *Legislation Act 2003*.

## 7. Variation

A reference to 'the variation' in this section is a reference to the approved draft variation.

Clause 1 of the variation provides that the name of the variation is the *Food Standards* 

<sup>&</sup>lt;sup>24</sup> Formerly The Office of Best Practice Regulation (OBPR).

<sup>&</sup>lt;sup>25</sup> Reference number OBPR22-02136.

<sup>&</sup>lt;sup>26</sup> Reference number OBPR22-02136

(Proposal P1049 – Carbohydrate and sugar claims on alcoholic beverages) Variation.

Clause 2 of the variation provides that the Code is amended by the Schedule to the variation.

Clause 3 of the variation provides that the variation commences on the date of gazettal of the instrument.

**Item [1]** of the Schedule to the variation amends Standard 1.2.7 of the Code by repealing existing section 1.2.7—4, and substituting it with a new section 1.2.7—4.

Existing section 1.2.7—4 provides that nutrition content claims and health claims must not be made about certain foods.

'Nutrition content claim' and 'health claim' are defined in sections 1.1.2—9 and 1.1.2—2 respectively.

New section 1.2.7—4 is entitled 'Restrictions on nutrition content claims and health claims about certain foods' and contains two subsections.

New subsection 1.2.7—4(1) contains three paragraphs.

Paragraphs 1.2.7—4(1)(a) and (b) provide that a nutrition content claim or health claim must not be made about kava nor an infant formula product. These prohibitions are the same as those set out in existing paragraphs 1.2.7—4(a) and (b).

New paragraph 1.2.7—4(1)(c) provides that a nutrition content claim or health claim must not be made about a food that contains more than 1.15% ABV, other than a nutrition content claim about any of the following:

- (i) salt or sodium content of a food that is not a beverage;
- (ii) carbohydrate content;
- (iii) energy content;
- (iv) gluten content;
- (v) sugar or sugars content.

That is, the new paragraph 1.2.7—4(1)(c) retains the current exclusions to the prohibition on nutrition content claims about food that contains more than 1.15% ABV for: salt or sodium content of a food that is not a beverage, carbohydrate content, energy content and gluten content. The new paragraph then adds one new exclusion to the prohibition on nutrition content claims about food that contains more than 1.15% ABV for sugar or sugars content (subparagraph 1.2.7—4(1)(c)(v)).

A note follows the subsection. The note is identical to the existing note to paragraph 1.2.7—4(c). It states: '**Note** Section 1.4.4—7 proscribes health claims and nutrition content claims in relation to cannabidiol in hemp food products.'

New subsection 1.2.7—4(2) provides that a nutrition content claim about a food that contains more than 1.15% ABV must not name or refer to:

- (a) a component of carbohydrate other than sugar or sugars; or
- (b) individually named sugars.

The following example of the prohibition in paragraph 1.2.7—4(2)(b) is provided under this subsection for clarity - a nutrition content claim that refers to fructose is not permitted.

# Attachment C – Draft variation to the *Australia New Zealand Food Standards Code* (call for submissions)



Food Standards (Proposal P1049 – Carbohydrate and sugar claims on alcoholic beverages) Variation

The Board of Food Standards Australia New Zealand gives notice of the making of this variation under section 92 of the *Food Standards Australia New Zealand Act 1991*. The variation commences on the date specified in clause 3 of this variation.

Dated [To be completed by Delegate]

[Insert Delegate name and title]
Delegate of the Board of Food Standards Australia New Zealand

## Note:

This variation will be published in the Commonwealth of Australia Gazette No. FSC XX on XX Month 20XX. This means that this date is the gazettal date for the purposes of clause 3 of the variation.

## 1 Name

This instrument is the Food Standards (Proposal P1049 – Carbohydrate and sugar claims on alcoholic beverages) Variation.

## 2 Variation to a standard in the Australia New Zealand Food Standards Code

The Schedule varies a Standard in the Australia New Zealand Food Standards Code.

## 3 Commencement

The variation commences on the date of gazettal.

#### Schedule

## [1] Standard 1.2.7

## [1.1] After Note 1 to section 1.2.7—2

Insert:

Note 1A In this Code (see section 1.1.2—3):

sugar means, unless otherwise expressly stated, any of the following:

- (a) white sugar;
- (b) caster sugar;
- (c) icing sugar;
- (d) loaf sugar;
- (e) coffee sugar;
- (f) raw sugar.

## [1.2] Section 1.2.7—4

Repeal the section, substitute

## 1.2.7—4 Restrictions on nutrition content claims and health claims about certain foods

- (1) A nutrition content claim or \*health claim must not be made about:
  - (a) kava; or
  - (b) an infant formula product; or
  - (c) a food that contains more than 1.15% alcohol by volume, other than a nutrition content claim about:
    - (i) salt or sodium content of a food that is not a beverage;
    - (ii) carbohydrate content;
    - (iii) energy content;
    - (iv) gluten content;
    - (v) sugar content; or
    - (vi) sugars content.
  - **Note 1.** The term *sugar* is defined in section 1.1.2—3. The term *sugars* is defined differently in section 1.1.2—2
  - **Note 2.** Section 1.4.4—7 proscribes health claims and nutrition content claims in relation to cannabidiol in hemp food products.
- (2) A nutrition content claim about sugars content of a food that contains more than 1.15% alcohol by volume must not name or refer to any specific sugars.

**Example** A nutrition content claim that refers to fructose is not permitted.

(3) A nutrition content claim about carbohydrate content of a food that contains more than 1.15% alcohol by volume must not name or refer to a component of carbohydrate other than sugar or sugars.

## Attachment D - Summary of submitter issues raised and FSANZ response

Note: Where column 2 indicates more than one submitter raised the issue, all the comments provided in column 1 are not necessarily the view of all submitters listed.

Issue	Raised by	FSANZ response
Consideration of stakeholder views		
There is disappointment that the recommendation these claims be prohibited, as put forward by public health and consumer groups and most jurisdictions in targeted consultations, has seemingly been ignored, particularly in light of the evidence presented in FSANZ's review.	CCA CSNZ	Proposal P1049 was assessed by FSANZ in accordance with the process required by the FSANZ Act. FSANZ published and sought submissions on its assessment and the evidence on which that assessment was based.
		FSANZ has considered all comments and information provided during consultations in the assessment of this proposal.
		Following the CFS, FSANZ undertook research to better understand if consumer perceptions and behaviours are influenced by carbohydrate and sugar claims on alcoholic beverages. The findings of this research strengthened the available evidence base.
		The evidence indicates that carbohydrate and sugar claims on alcoholic beverages are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness and lack of effect on consumers' behavioural intentions (see sections 3.3.4 and 4.1.2).
In New Zealand, six public health organisations compared to 10 industry groups participated in targeted consultation. Low attendance of health agencies in New Zealand should not be interpreted as a lack of interest.	Dietitians NZ	The number of organisations or companies from a particular stakeholder group participating in targeted consultation (e.g. public health, industry) did not influence FSANZ's consideration of comments and information provided from each participant.

Small brewers are most impacted by changes to labelling regulation because they create more new products per year compared with other food or beverage manufacturers. Consultation with organisations such as the Brewers Association Australia does not capture the views and position of the brewing industry as a whole. The Independent Brewers Association is the only direct engagement between FSANZ and Australia's small breweries. Due consideration should be given to appropriately weighing their views noting they represent 425 breweries who are small businesses.	Campaign (IBA, etc.)	Noted.  The CFS public consultation in July 2023 provided an opportunity for anyone to provide information and views to FSANZ. Forty of the 55 submissions from industry stakeholders were from small brewers.  Every submission received by FSANZ was considered.
Evidence provided by submitters should be made available to all submitters for comment/testing and consideration prior to being used in considering the proposal.	Campaign (IBA, etc.)	Proposal P1049 was assessed by FSANZ in accordance with the process required by the FSANZ Act. FSANZ published and sought submissions on its assessment and the evidence on which that assessment was based. Submissions, including evidence referred to in submissions, have been publicly available on the FSANZ website since late 2023.
History and rationale for proposal		
When FSANZ refers to how the current regulations are interpreted, this should be clarified as being how the current regulations are interpreted by industry (and not all parties), as is implied. NZFS has interpreted the Code as allowing carbohydrate claims but not specifically sugar claims, noting that the original concerns leading to Proposal P1049 related to whether sugar claims were permitted or not.	NZFS	Noted.  Relevant text has been revised as suggested (see sections 1.2 & 4.1 of the approval report).
Ministers request and focus of proposal		
Food standards that apply to alcohol must be assessed within the context of alcohol's contribution to the diet as a discretionary food, and within the context of broader alcohol-related harms rather than on claims about nutrients which are of less importance than alcohol content.	NZFS Qld Health Vic Gov Tas Health	As the FMM's request related to sugar claims on alcoholic beverages and enforcement agencies identified a lack of clarity in the Code for such claims, the scope of the proposal was to consider the permission to make nutrition content claims
The proposal does not appear to address Food Ministers' concerns of 2017 that the use of sugar claims on alcoholic beverages could be	NSWFA	about carbohydrate and components of carbohydrate such as sugar, in relation to food that

misleading and that alcohol is being promoted as a healthier choice for consumers when public health advice is to limit alcohol intake. Nor is the proposal consistent with the Communique's description of intent as set out in June 2018. FSANZ's 2018 technical report was clear the policy intent was that 'claims specifically about the "sugar" content of foods containing alcohol were not to be permitted by Standard 1.2.7.'  The proposal should be revised to focus on whether claims are misleading and promoting alcohol as a healthier choice (not on their effect on consumption as this creates a high threshold of evidence and not what ministers asked FSANZ to consider), or to better consider whether these claims support consumers to make informed choices consistent with public health advice, ensuring an appropriate regulatory response.	FARE FHA NHF Dietitians NZ SA Health TWO	contains more than 1.15% ABV. See sections 1.2 and 1.4 of this report.  FSANZ assessed the proposal taking into consideration ministerial policy guidance and dietary guidelines (see section 2.2).  Following the CFS, the FMM asked FSANZ to undertake research to better understand if consumer perceptions and behaviours are influenced by carbohydrate and sugar claims on alcoholic beverages to inform a decision on a potential addendum to policy guidance based on the available evidence (see FMM communique December 2023). The findings of this research strengthened the available evidence base.  The evidence indicates that carbohydrate and sugar claims on alcoholic beverages are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness and lack of effect on consumers' behavioural intentions (see sections 3.3.4 and 4.1.2).  In July 2024 the FMM noted that, based on the evidence, FSANZ would proceed to clarify carbohydrate and sugar claims. Ministers did not provide an addendum to policy guidance (see section 2.5)
In P1059, the rationale that the nutrient composition of alcoholic beverages (including sugar) is of 'minimal significance' (except for alcohol and energy content) was used to justify why a full NIP would not be relevant for alcoholic beverages. However, this is inconsistent with P1049 (which supports carbohydrate and sugar claims) which was intended to align with P1059, and it is unclear why the position taken by FSANZ with respect to P1049 differs.	FHA NHF CCA Consumer NZ Dietitians NZ George Institute	FSANZ has applied a consistent approach to both proposals.  In the case of P1059, the purpose was to consider amending the Code to require energy (kilojoule) labelling on alcoholic beverages. FSANZ notes that for most alcoholic beverages, e.g. beer, wine and spirits, alcohol is the main source of energy (see section 3.3.2). As such, mandating a NIP was not the preferred option for achieving this objective.  For P1049, the purpose of the proposal was to

		clarify the requirements for making carbohydrate and sugar claims, not to change the requirement for a NIP when a claim is made.
Objectives under the FSANZ Act		
The proposal is not consistent with FSANZ Act objectives for the following reasons:  Objective 1 – Do not agree with FSANZ's conclusion that carbohydrate and sugar claims will not affect the protection of public health and safety of those who consume alcohol. The FHA considers all available evidence supports a conclusion that the claims are likely to mislead consumers and promote some alcohol products as healthier choices. DA consider the evidence presented neither supports nor opposes this assessment.  Objective 2 – The claims do not enable accurate assessment and comparison of products and, as such, do not support informed choice.  Objective 3 – Do not agree that nutrition information being provided in conjunction with claims reduces the likelihood of consumers being misled, referencing evidence that indicates the presence of a claim results in consumers being less likely to consider the NIP.	FHA DA	FSANZ does not agree that the proposed variation is inconsistent with the FSANZ Act objectives in setting or varying food regulatory measures.  The evidence indicates carbohydrate and sugar claims on alcoholic beverages have no effect on consumers' intended consumption of alcohol and are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness (see sections 3.3.4 and 4.1.2).  The updated evidence base includes three new studies, including FSANZ's research (2024), that examined the effect of carbohydrate and sugar claims on alcoholic beverages in the presence of mandatory nutrition information. FSANZ is aware there is mixed evidence around whether consumers prioritise claims or the NIP when evaluating the healthiness of general foods (e.g. Talati et al. 2017). FSANZ is not aware of any research that has investigated the interaction of nutrition content claims and use of NIPs on alcoholic beverages specifically.  Having considered the FSANZ Act objectives, FSANZ's assessment of the evidence in accordance with that Act does not support the prohibition of these claims and unduly restricting industry innovation and consumer choice
There is an increased range of products using claims as marketing tools to increase consumption of alcohol. This contravenes FSANZ policy to protect public health.	Dietitians NZ	FSANZ had regard to the protection of public health and safety in its assessment.  FSANZ does not agree that the proposed variation is inconsistent with that objective.

		The evidence indicates carbohydrate and sugar claims on alcoholic beverages have no effect on consumers' intended consumption of alcohol and are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness (see sections 3.3.4 and 4.1.2).  FSANZ's evidence based assessment is that clarifying the requirements for making voluntary nutrition content claims about carbohydrate and sugar content on food that contains more than 1.15% ABV is unlikely to affect the protection of public health and safety of consumers who choose to consume alcoholic beverages.
Implications of Proposal P1059		
Proposal P1059 is the most effective way of ensuring FSANZ fulfils its objective of assisting with informed choice without misleading consumers. Energy and alcohol content are the only significant pieces of health information required. FSANZ must prioritise P1059 while reviewing options for P1049.	PHAA	Proposals P1059 and P1049 are being progressed in parallel so the impact of any label changes (from both proposals) on consumers' ability to make informed choices can be considered together.  The assessment of evidence indicates that carbohydrate and sugar claims on alcoholic beverages are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness and lack of effect on consumers' behavioural intentions to consume alcohol. The evidence also indicates consumers generally value sugar claims on alcoholic beverages and may also value carbohydrate claims. As alcoholic beverages are exempt from providing a NIP with the average quantity of sugar, sugar content claims can serve as a source of information for consumers who choose to drink alcoholic beverages and are seeking low and no added sugar alternatives, enabling informed choices ( see sections 3.3.4 and 4.1.2).

## Policy Guideline on food labelling to support consumers to make informed healthy choices

Allowing carbohydrate and sugar claims on alcohol is inconsistent and in direct conflict with the <u>Policy Guideline on Food Labelling to Support Consumers to Make Informed Healthy Choices.</u>

The policy guideline states that information should be provided to consumers in a way that 'does not promote consumption of foods inconsistent with Dietary Guidelines'.

Permitting carbohydrate and sugar claims, which are marketing tools, does not support consumers to have healthy dietary patterns and manage energy intake, as recommended in the Dietary Guidelines

The <u>Australian Dietary Guidelines</u> state that alcoholic drinks are discretionary foods and recommend to limit alcohol intake to reduce risk from alcohol related harms. Allowing nutrition content claims on alcohol products is promoting discretionary foods and thus inconsistent with the Dietary Guidelines.

These claims could mislead consumers by promoting alcoholic beverages as 'healthy' when dietary guidelines clearly provide advice to limit alcohol consumption. The emphasis on carbohydrate and sugar does not align with the principle of considering the nutritional content of the whole food.

Recommends FSANZ reconsider how the policy guideline applies to this proposal with the focus on alcohol consumption, not sugar content.

NZFS

Vic Gov

WA Health

Qld Health

CCA

FHA

Consumer NZ

Dietitians NZ

Qld Health

**FARE** 

CCA

George Institute

FSANZ had regard to the Policy Guideline and to dietary guidelines in its assessment. See section 2.2 and 4.1.2 of this report.

FSANZ does not agree the proposed variation is inconsistent with the Policy Guideline. The Policy Guideline states that food labels (including on alcohol) are to provide adequate information to enable consumers to make informed choices. For consumers who choose to consume alcohol, carbohydrate and sugar claims can provide additional information to enable them to make an informed choice when deciding between alcoholic products. Sugar claims in particular can enable consumers who choose to consume alcoholic beverages and are seeking low and no added sugar alternatives to make informed choices.

The FSANZ Act requires FSANZ to make an independent, evidence based assessment, having regard to certain criteria. That assessment, based on the totality of evidence, is that carbohydrate and sugar claims on alcoholic beverages are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness and little effect on consumers' behavioural intentions (see sections 3.3.4 and 4.1.2). That is, the evidence suggests that such claims do not promote consumption of foods inconsistent with dietary guidelines.

FSANZ notes the FSANZ Act makes clear that the Policy Guideline is not binding on FSANZ. The Guideline remains only one factor, among many others, that FSANZ is required to consider and weigh when deciding whether and how to amend the Code (See section 59 and paragraph 18(2)(e) of the FSANZ Act). The Policy Guideline does not

		and cannot prevent FSANZ exercising the independent statutory discretion conferred on it to make an evidence based assessment. Nor can the Guideline constrain FSANZ to reach a particular decision or prevent FSANZ taking all relevant considerations into account.
The policy guideline on <i>Food Labelling to Support Consumers to Make Informed Healthy Choices</i> includes ensuring information is easily accessed and understood, enabling consumers to compare foods. The nutritional content of the whole food should be taken into account so as to not mislead consumers.	Brewers NZ	The approved draft variation clarifies the Code permissions for making carbohydrate and sugar claims on food containing more than 1.15% ABV including alcoholic beverages.
Removing the ability to make these claims will reduce the information available to consumers to make informed healthy choices. This would mean the products that are no longer able to be advertised in this way will be less likely to be produced by brewers. Not only will there be less information for consumers, but likely a smaller range of products to enable lower energy choices.		
Dietary Guidelines		
Dietary guidelines that recommend choosing lower added sugar alternatives should not be considered, as the recommendation relates to food, not alcohol. To ensure the appropriate comparison of food labels, there is the mandated NIP.	NHF	Guideline 3 of the Australian Dietary Guidelines states Limit intake of foods and drinks containing added sugars. Alcoholic beverages are not explicitly excluded from this recommendation. Guideline 3(d) about limiting alcohol states: Alcoholic drinks that contain added sugar have even more energy.
		Similarly, alcoholic beverages are not excluded from Eating Statement 2 in the New Zealand Eating & Activity Guidelines for adults which states choose and/or prepare foods and drinks with little or no added sugar. The New Zealand guidelines refer to carbohydrate in the context of alcohol as follows: Alcohol is a concentrated form of energy (kilojoules) with one gram providing 29 kilojoules (or 7 calories). When you add to that the kilojoules from the carbohydrate in many alcoholic drinks or drink 'mixes', drinking alcohol can add more energy to

		the diet than people are aware of.
		The assessment of evidence indicates carbohydrate and sugar claims have no effect on consumers' intended consumption of alcohol and are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness (see sections 3.3.4 and 4.1.2).
		As alcoholic beverages are exempt from providing a NIP with the average quantity of sugar, sugar content claims can serve as a source of information for consumers who choose to drink alcoholic beverages and are seeking low and no added sugar alternatives, enabling informed choices.
		In addition, the requirement to provide a NIP when a claim is made provides additional nutrition information to assist consumers in making informed choices.
The proposed approach does not align with the <a href="New Zealand Eating &amp; Activity Guidelines">New Zealand Eating &amp; Activity Guidelines</a> . There are no recommendations about drinking lower-carbohydrate or lower-sugar alcoholic drinks.  Policies or legislation that appear to add a 'health halo' in the form of nutrition claims to alcohol contravenes the intent and statements in the guidelines and would be confusing to consumers who are receiving nutrition promotion information based on these guidelines in community-based and clinical settings.	Consumer NZ Dietitians NZ	Eating Statement 2 in the New Zealand Eating & Activity Guidelines for adults states choose and/or prepare foods and drinks with little or no added sugar. The New Zealand guidelines refer to carbohydrate in the context of alcohol as follows: Alcohol is a concentrated form of energy (kilojoules) with one gram providing 29 kilojoules (or 7 calories). When you add to that the kilojoules from the carbohydrate in many alcoholic drinks or drink 'mixes', drinking alcohol can add more energy to the diet than people are aware of.
		The assessment of evidence indicates that carbohydrate and sugar claims on alcoholic beverages are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness and lack of effect on consumers' behavioural intentions (see sections 3.3.4 and 4.1.2). This suggests claims do not promote consumption of foods inconsistent with dietary

		guidelines.	
Government and public health policies			
FSANZ should consider how the proposal interacts/aligns with broader Australian and international policies including:  • National Obesity Strategy 2022-2032 • National Preventive Health Strategy 2021-2030 • Food regulation priorities 2017-2022 • The Australian National Alcohol Strategy 2019-2028 • NHMRC Australian Guidelines to Reduce Health Risks from Drinking Alcohol • WHO's Global Alcohol Action Plan (2022-2030) • NSW Cancer Plan  These guidelines prioritise limiting alcohol consumption, minimising inappropriate marketing/promotion of alcohol products to minimise alcohol-related harm, protecting and improving the health of the population and/or reducing chronic disease related to overweight and obesity.  Permitting carbohydrate and sugar claims undermines national and international guidelines.  Awareness and comprehension of the alcohol guidelines and what a standard drink is amongst Australians remains low. Therefore, any labelling changes should ensure consumers' understanding around standard drinks and recommended consumption is not further confused.	Vic Gov FHA NHF WA Health Qld Health NSWFA TWO FARE CCA George Institute	FSANZ notes the importance of these strategies and guidelines that focus on limiting alcohol consumption to reduce alcohol related harm.  The evidence indicates that carbohydrate and sugar claims on alcoholic beverages have no effect on consumers' intended consumption of alcohol and are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness (see sections 3.3.4 and 4.1.2).  Therefore permitting claims should not undermine national or international alcohol guidelines.  Under Proposal P1059, FSANZ has included a requirement for standard drink information in the mandatory energy statement on the label of packaged standardised alcoholic beverages and beverages containing no less than 0.5% ABV that are not standardised alcoholic beverages (see section 1.5.1).  FSANZ research (FSANZ 2023) found standard drink information in the energy statement enables consumer understanding of how a serving size relates to a standard drink.  In addition, there will be a new requirement for the approximate number of standard drinks equivalent to one serving of the alcoholic beverage to be declared in a NIP, if provided, for certain alcoholic beverages (see section 4.1.2.3).	
International requirements			
Relevant international requirements should be considered. Different wine labelling laws in export markets can present significant market access challenges for Australian wine exporters. In addition, label	Wine Aus	The approved draft variation clarifies the Code permissions for making carbohydrate and sugar claims on food containing more than 1.15% ABV	

Changes run the risk of creating additional trade barriers and costs.  Harmonisation with international regulation is of importance to the Australian wine sector as an export orientated industry. Recommends harmonisation of energy and nutritional information for wine with EU Regulation 2021/2117.	AGW	including alcoholic beverages. FSANZ therefore does not anticipate significant labelling changes being required as a result of this proposal.  Permissions for voluntary carbohydrate and sugar claims vary around the world and so there is no consistent approach (see section 2.6). Clarifying permissions for making such claims should not create trade barriers or costs for exporters.
The European Union Regulation 1924/2006 prohibits beverages containing more than 1.2% ABV from displaying health or nutrition claims.  Removing the permission for carbohydrate claims on food that contains more than 1.15% ABV will not impact international trade.	Qld Health	While nutrition and health claims are not permitted on beverages containing more than 1.2% ABV in the EU, permissions for carbohydrate and sugar claims vary around the world and so there is no consistent approach (see section 2.6).
Consumption data		
Concern FSANZ relied on IBIS World for the most recent alcohol consumption data. The ABS should provide the most independent and authoritative data set on current consumption.	Campaign (IBA, etc.)	FSANZ has revised the alcohol consumption information in section 3.3.1 of the approval report based on Australian Institute of Health and Welfare and Statistics New Zealand data. This was the source of the IBIS World information which was previously cited.
New research shows that the proportion of Australians who drink alcohol has increased in Australia since it was last taken in the 12 months to March 2020, pre-pandemic (Roy Morgan 2023). In particular, the research indicates RTDs have become significantly more popular, consumed by over 20% of Australian adults in a four week period, an increase of 10% from the previous results. This, together with research showing that over 30% of RTDs display a sugar claim, is extremely concerning and further supports the removal of these claims.	FHA NZFS ACA ADF PHAA	As noted above, FSANZ has revised the alcohol consumption information in section 3.3.1 of the approval report. This shows over the last 10 years per capita consumption of pure alcohol has generally been decreasing in New Zealand and remained steady in Australia.  FSANZ's assessment of evidence indicates carbohydrate and sugar claims have no effect on consumers' intended consumption of alcohol and are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness. In considering FSANZ objectives, the evidence does not support prohibiting these claims

		(see sections 3.3.4 and 4.1.2).	
Prevalence of carbohydrate and sugar claims in the marketplace			
Carbohydrate and sugar claims have increased over the last decade, and studies such as Barons et al. (2022) and Haynes et al. (2022) cited in the CFS may have understated the prevalence because these studies appear to be based on samples of individual product labels and not SKUs. This does not account for the fact that some labels will be for comparatively small volume SKUs while others will be for much larger volume SKUs.	Lion	Noted. FSANZ considers the description of the methodology used for each study is clear in section 3.3.3 of the approval report. Although these studies may have limitations, they nevertheless contribute to the available evidence base.	
Composition of alcoholic beverages	1		
Discrepancies between total energy values presented in Table 1 of the CFS versus research by the Australian Wine Research Institute (AWRI). Recommend FSANZ refers to the following published scientific references by the AWRI and engage with AWRI in any further considerations of wine composition:  Technical Review No. 253 August 2021  Technical Review No. 254 October 2021 – Technical Notes	AGW	FSANZ used both the Australian Food Composition Database and New Zealand Food Composition Database to calculate values for the average energy, carbohydrate and sugar content of red and white wines. FSANZ has updated these values in Table 1 of this report using more recent data provided by the Australian Wine Research Institute (see section 3.3.2).	
FSANZ stated in the CFS that hard seltzers are generally lower in energy despite their alcohol content being comparable to full strength beer. This implies consumers are purchasing seltzers because of sugar and carbohydrate claims, despite alcohol content being comparable to full strength beer. This suggests claims are promoting hard seltzers as healthier options, despite not having reduced alcohol content, and with only a minimal energy reduction.	FHA	In the CFS FSANZ stated the increase in popularity of hard seltzer was primarily due to their lower carbohydrate and sugar content than many other alcoholic beverages and noted seltzers are also lower in energy.  The assessment of evidence indicates consumers generally value sugar claims on alcoholic beverages and may also value carbohydrate claims, and that carbohydrate and sugar claims have no effect on consumers' intended consumption of alcohol and are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness (see sections 3.3.4 and 4.1.2).	
Promotion and marketing of alcoholic beverages		sections 3.3.4 and 4.1.2).	

Claims on alcohol products are marketing tools designed to promote a product; motivate consumers; increase purchases; drive sales; and increase perceived healthfulness and reduce perceived risk of products. They are not legitimate sources of nutritional information nor are they aimed at providing balanced and accurate information to assist consumers make informed choices in accordance with dietary guidelines.  As they can be placed on the front of a product, this increases the chances that important information (alcohol and energy content) is overlooked and could result in increased consumption of alcohol.	ACA ADF PHAA Tas Health SA Health FARE NHF AHW CCA CSNZ DA FHA NSWFA George Institute	The totality of evidence indicates carbohydrate and sugar claims have no effect on consumers' intended consumption of alcohol and are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness (see sections 3.3.4 and 4.1.2).  The requirement to provide a NIP when a claim is made provides additional nutrition information to assist consumers in making informed choices.  FSANZ is aware there is mixed evidence around whether consumers prioritise claims or the NIP when evaluating the healthiness of general foods (e.g. Talati et al. 2017). FSANZ is not aware of any research that has investigated the interaction of nutrition content claims and use of NIPs on alcoholic beverages specifically.
The combined effect of carbohydrate and sugar claims with other non-regulated health-oriented claims and marketing techniques (e.g. 'pure', 'fresh', 'organic' and 'natural' ingredients) market alcoholic beverages as a healthier or 'better for you' alcohol product. It is important to consider the combined effect of this marketing to position alcoholic products as healthy.	FARE	FSANZ is not aware of any research that has investigated the combined effect of nutrient content claims and non-regulated claims on consumers' perceptions of alcoholic beverages.
The proposed changes may result in inappropriate marketing specifically towards young women. A 2019 study by the Public Health Advocacy Institute of WA, Curtin University, found low carbohydrate and sugar marketing targets more health conscious young women to attract new customers and boost profits. Apart from potential increases in consumption, concerns around alcohol in pregnancy and links with breast cancer also exist.	NSWFA SA Health	FSANZ notes the referenced research (Public Health Advocacy Institute of WA and Cancer Council WA, 2019), which found that the alcohol industry is designing and promoting alcohol products specifically for women, including through the use of health-related claims such as 'low sugar'. FSANZ's evidence review considered a high-quality study that focused specifically on young women (Cao et al. 2023). The study found that

		carbohydrate and sugar claims have no effect on the amount of alcoholic beverages they intend to consume.  FSANZ's research, undertaken with a nationally representative sample of consumers, similarly found that carbohydrate and sugar claims have no effect on the amount of alcoholic beverages that consumers intend to consume (FSANZ 2024).
Informed choice		
These claims are unnecessary and will not enable consumers to make informed or healthier choices in relation to alcohol use. Instead, evidence shows claims are likely to result in inaccurate assumptions rather than informing consumers.  The available evidence in the consumer literature review suggests consumers do not understand the sugar claims and their impact on the overall nutrition of the beverages.  Where nutrition content claims have the potential to mislead, this is not considered to be an 'informed choice'.  A clarified understanding of carbohydrate and sugar content may assist consumers' ability to make informed choices in some circumstances, such as sugar-reduced premixes. However, these limited benefits do not outweigh the negative impact of alcohol content, nor the potential for consumers to be misled.	AHW Qld Health FHA NZFS PHAA NZPHA NHF	FSANZ's assessment of evidence indicates consumers generally value sugar claims on alcoholic beverages and may also value carbohydrate claims, and that carbohydrate and sugar claims have no effect on consumers' intended consumption of alcohol and are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness.  Nutrition content claims about sugar provide information to enable consumers who choose to consume alcoholic beverages and are seeking low and no added sugar alternatives to make informed choices (see sections 3.3.4 and 4.1.2).
The use of claims on alcoholic beverages that are inherently low in carbohydrates and sugar (e.g. wine) can create a situation where all products in a category carry a similar claim. In such cases claims are more likely to perpetuate misunderstanding about the nutritional qualities of alcohol and potentially contribute to unhelpful narratives about carbohydrates being unhealthy or bad. This does not support informed choice. More information does not necessarily result in better consumer understanding.	Vic Gov WA Health	FSANZ estimates approximately 6% of alcoholic beverage SKUs are labelled with nutrition content claims. The current Code permissions for nutrition content claims on alcoholic beverages have been in place since gazettal of Standard 1.2.7 in 2013. Therefore it is unlikely that clarifying permissions for carbohydrate and sugar claims on alcoholic beverages will result in a situation where all alcoholic beverages in a category are labelled with a similar claim.

It is nonsensical to have claims regarding a nutrient profile that has not been substantially modified. Such claims misrepresent the degree of nutrient modification.	WA Health	Nutrition content claims are claims about the absence or presence of certain nutrients or substances, not about degree of modification. Foods, including alcoholic beverages, displaying comparative claims about carbohydrate content or sugar such as <i>low</i> or <i>reduced</i> , must have at least 25% less of the claimed substance than in the same amount of the reference food.
Carbohydrate and sugar claims may detract from other, more important health warning labels that are already present on alcoholic beverages such as pregnancy warnings, standard drink labels, energy information and any others that may be applied in future. Standard drink information provides important guidance and should remain prominent. Labelling information regarding cancer risk may be pertinent to focus on.	NZFS NZPHA AHW TWO	FSANZ recognises the importance of other labelling information on alcoholic beverages, including pregnancy warning labels, energy content information, and standard drink information.  The pregnancy warning label integrates design elements (for example, the colour red) that evidence shows will increase the attention a warning will receive.
		Under Proposal P1059, FSANZ is requiring the mandatory declaration of energy content information in the form of an energy statement. This includes a requirement for the approximate number of standard drinks equivalent to one serving of the alcoholic beverage to be declared in energy statements on alcoholic beverages (see section 4.1.2.3). This is based on the finding from FSANZ research (FSANZ 2023) that standard drink information in the energy statement enables consumer understanding of how a serving relates to a standard drink.
		FSANZ is not aware of any evidence that carbohydrate and sugar claims reduce consumers' attention towards other forms of labelling information on alcoholic beverages. The evidence around the effect claims have on consumers' likelihood of evaluating the healthiness of general food using the NIP is inconclusive (e.g. Talati

		2017).
'Health halo' effect of claims		
There is insufficient scientific rationale for making so-called 'healthier' alcohol choices based on carbohydrate and sugars to warrant these claims guiding consumer choice.  The available evidence indicates that claims like 'low sugar', 'no sugar', 'low carb' etc. on alcoholic beverages create a 'health halo' and are likely to mislead consumers as they present certain alcohol products as generally healthy, healthier or 'better for you' choices than alcoholic	FHA NCETA PHAA Dietitians NZ Consumer NZ	The evidence indicates consumers generally value sugar claims on alcoholic beverages and may also value carbohydrate claims. Nutrition content claims about sugar provide information to enable consumers who choose to consume alcoholic beverages and are seeking low and no added sugar alternatives to make informed choices.
beverages that do not make such claims. They also distract from the key ingredient of health concern i.e. alcohol. This could result in an increased risk of alcohol related harms thereby having serious health and social implications, especially as there is low consumer awareness of alcohol's energy content and links between alcohol and cancer.  A 'health halo' effect can also work such that a claim for one favourable attribute (e.g. low sugar) can result in consumer misperception of another favourable (but unrelated attribute) (e.g. lower alcohol content). The extension of favourable attributes include: less harmful to health; lower in kilojoules; suitable for weight	ADF CCA CSNZ Vic Gov FARE NHF NSWFA	The totality of evidence indicates carbohydrate and sugar claims have no effect on consumers' intended consumption of alcohol and do not cause consumers to perceive alcoholic beverages as being overall healthy, unharmful to health, low in energy, helpful for weight management, and/or suitable as part of a healthy diet. The claims were also found to have no effect on consumers' perceived alcohol content of alcoholic beverages (see section 3.3.4).
management; and a healthy diet (Cao et al. 2023).  Carbohydrate and sugar claims and their 'health-halo' effect are associated with increased consumption of alcoholic products; this occurs without regard to the alcohol content of the product (White et al. 2014; Plasek et al. 2020; Cao et al. 2023; Alcohol Change Australia (2023); Her and Seo 2017; Berry and Romero 2021).	George Institute NZPHA NZFS SA Health Tas Health	None of the cited studies demonstrate that carbohydrate and sugar claims increase consumption of alcoholic beverages.  White et al. (2014) provides an overview of several marketing strategies, but does not provide any evidence that 'light' beer has led to an increase in alcohol consumption.
	WA Health TWO DA	Plasek et al. (2020) examines factors that influence perceptions of healthiness of foods, but does not examine claims on alcoholic beverages.  Cao et al. (2023) found that sugar claims on RTDs have no effect on consumption intentions (this study was reported on as Cao et al. 2022 in FSANZ

NIP requirements		2023). This is consistent with the findings of FSANZ's evidence assessment.  In the Alcohol Change Australia study (2023), the small percentage of consumers who said that claims would cause them to increase their consumption is similar to the percentage of consumers who said that claims would cause them to decrease their consumption. This study has been considered as part of the literature review update (see Supporting document 1).  Her and Seo (2017) examined how the perceived healthiness of entrées affected the intention to consume dessert in a restaurant setting. It did not consider carbohydrate and sugar claims on alcoholic beverages.  Berry and Romero (2021) examined the impact of fair trade labelling on perceived healthiness and consumption of general foods. It did not examine carbohydrate and sugar claims on alcoholic beverages.
The approval of Proposal P1059 will result in inconsistencies and confusion for consumers, whereby some alcoholic products will feature a mandated truncated energy panel, and others a full NIP, with different headings i.e. 'Energy Information' vs 'Nutrition Information'.  A mandated NIP could be considered, including carbohydrate, sugar and energy information. This would provide standardised information to enable comparison of products particularly if comparative claims are retained on alcoholic beverages bearing sugar/carbohydrate claims. Informed food choices are only possible when information is provided on the product bearing the claim and a reference food.  This alternative should be considered only if evidence indicates that information presented in this way does not produce a 'health halo effect'.	NSWFA FARE NHF Dietitians NZ CCA CSNZ	FSANZ's research (FSANZ 2024) found that consumers' ability to compare the energy content across different alcoholic beverages was the same regardless of whether energy statements were on all beverages or energy statements were on some and NIPs on others.  FSANZ does not consider there is sufficient rationale to require mandatory declarations of carbohydrate or sugar on alcoholic beverages. However, the evidence does not justify prohibiting this information on a voluntary basis. Evidence suggests consumers value sugar claims (and sugar information more broadly) on alcoholic beverages and may also value carbohydrate claims (see

Further tightening of the definition of a reference food is required to ensure appropriate comparisons are made.		section 3.3.4.1).  A reference food is only required to be stated on a label when making comparative claims e.g. reduced or light. FSANZ considers the current Code definition for reference food is sufficient and that the requirement to include the identity of the reference food on the label as well as the difference between the amount of carbohydrate or sugar in the alcoholic beverage and the reference food, provides consumers with contextual information to make informed choices.  Additionally, the requirement to declare energy content information on alcoholic beverages under Proposal P1059, will enable consumers to compare the energy content between products.
If Proposal P1058 is implemented, 'added sugars' declaration in the NIP could apply to those alcoholic beverages that make sugar or carbohydrate claims but not to those that do not, regardless of outcome of Proposal P1059.	SA Health	Work on Proposal P1058 has been paused while FSANZ undertakes scoping work on a holistic review of the NIP as agreed by the FMM in July 2024 (see section 1.5.2 of the approval report and the Food Ministers' Meeting communique).  FSANZ acknowledges the outcomes of this review may result in proposed changes to the NIP in the future. However, at this stage it is unclear whether any proposed changes would apply to alcoholic beverages.
Strongly oppose NIPs on alcohol labels because providing anything further than energy and alcohol content information is potentially confusing for consumers.	CCA CSNZ	The purpose of P1049 was to clarify the requirements for making carbohydrate and sugar claims in relation to food than contains more than 1.15% ABV, not to change the requirements for a NIP when a claim.

Is FSANZ considering making adjustments to NIP requirements when **AGW** As noted above, the purpose of P1049 was to claims are made, such that a truncated NIP showing only energy with clarify the requirements for making carbohydrate Individual or without the subject of the claim e.g. sugar be required? Alcoholic and sugar claims in relation to food than contains beverages do not typically contain significant amounts of fat and NZ Wine more than 1.15% ABV, not to change the protein, so there is no need to show other nutritional information and requirements for a NIP when a claim. Lion the truncated NIP for P1059 is showing energy only. Under Proposal P1059 the current requirement for a NIP when a nutrition content claim is made on an alcoholic beverage is being retained (see section 4.4.3 in the approval report for Proposal P1059). FSANZ considers labelling with a NIP enables consumers to evaluate the nutrient content of an alcoholic beverage with a claim and to compare those nutrients with those in other foods and with other alcoholic beverages making a claim. This approach also aligns with the approach to permit voluntary labelling of alcoholic beverages with a NIP. This approach is consistent with the EU, United States and Canada where voluntary declarations of nutrition information on alcoholic beverages are permitted. Use of QR Codes for provision of mandatory information

Advocates use of QR	codes	notina:
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- use of QR codes for mandatory information is a contemporary means being used by consumers to find information.
- a QR code would give access to a live sheet/document where updates per brew/batch/SKU could be made without having to change label design.
- is timely to consider this option now, whilst the legislation is being 'opened up', rather than revisiting the issue again in less than 5 years.
- Barons et al. (2022) found all products carrying a nutrition content claim also had a compliant NIP. There is no data to indicate compliance would diminish if a QR code was used.
- mandating a comprehensive nutritional panel within can space constraints poses a formidable obstacle given other labelling requirements (container deposit schemes, pregnancy warnings, recycling options, brewery and product details) and it would impede the production process, jeopardising ability to meet canning deadlines.

## Campaign (IBA, etc.)

Provision of mandatory labelling information via QR codes is out of scope of this proposal.

## Claims regarding specific sugars

There is confusion in the brewing industry as to lactose. While milk is defined as an allergen, lactose – as a component of milk – is not. Some beer styles have names that may raise concerns amongst consumers about the presence of an allergen e.g. cream stout. In this case, the statement 'lactose free' on a label may alert consumers that a particular product – though of a style that may commonly contain lactose – is lactose (and therefore allergen) free.

Existing drafting would not appear to permit such a statement. An exemption should exist for claims made relating to substances that would be considered allergens (or components of allergens) with 'lactose free' being of particular focus.

The absence of such exemptions could cause consumer confusion and does not provide consumers with appropriate information to make informed decisions.

## Campaign (IBA, etc.)

FSANZ notes that lactose is not an allergen requiring declaration in the Code. Although some people have an intolerance to lactose and may therefore seek low lactose or lactose-free foods. FSANZ's decision to not permit claims about individually named sugars is consistent with the overall intent to prohibit nutrition content claims about components of carbohydrate other than sugar or sugars and the general prohibition of nutrition content claims on alcoholic beverages (unless specifically permitted). Producers can communicate information about specific sugars used as an ingredient e.g. dextrose, lactose via a voluntary statement of ingredients. FSANZ is not aware of any lactose-free claims being displayed on alcoholic beverages for sale in Australia and New

		Zealand (see section 4.1.2.1 ).
There are many sugars used in brewing for flavour and aroma, for example, dextrose, lactose, honey. If a brewery mentions a specific sugar either in the name or on the packaging, this should not constitute a 'nutritional claim' and should not be subject to a NIP. For example: - 'Red Gum Honey Saison' – informs the customer of what flavours they are likely to encounter.  - Belgian Dubbel with Candi Sugar – informs the customer that traditional methods have been used to make the beer, and possible flavour expectations.  - Seltzer, made with Dextrose – this is an important legal definition for brewers to make regarding excise tax requirements.  - Berliner Weisse with Raspberry – a flavour designation.  The standard should permit claims for such sugars. The proposed drafting is not sufficiently clear on this point.	Brightstar (C) IBA-SA (C)	The Code permits alcoholic beverages to be voluntarily labelled with a statement of ingredients. Producers can therefore communicate information about the use of ingredients such as honey and raw sugar as well as specific sugars used as an ingredient e.g. dextrose, lactose via a voluntary statement of ingredients (see section 4.1.2.1).
The rationale behind limiting other components of carbohydrates in making claims (e.g. fibre) and other specifically named sugars (e.g. fructose) is not well founded. Further evidence and rationale for these exclusions would be needed. Providing information about lower levels or the absence of such components also enables consumers to make informed choices. Excluding these without solid evidence appears unnecessarily pre-emptive.	Lion Brewers NZ NZFGC	The purpose of P1049 was to clarify the requirements for making claims about carbohydrate and components of carbohydrate such as sugar in relation to food than contains more than 1.15% ABV.  FSANZ's decision to not permit claims about other components of carbohydrate and individually named sugars is consistent with the overall intent to prohibit nutrition content claims about components of carbohydrate other than sugar and the general prohibition of nutrition content claims on alcoholic beverages (unless specifically permitted). The amended draft variation clarifies that nutrition content claims about sugar, a component of carbohydrate, can be made on food containing more than 1.15% ABV, and otherwise prohibits nutrition content claims about individually named sugars (e.g. fructose) and components of

carbohydrate (other than sugar or sugars) (see section 4.1.2). Nutrition content claims about dietary fibre on foods with more than 1.15% ABV are not currently permitted and the approved draft variation will not change this. As noted in section 4.1.2.2, the reference in the CFS to dietary fibre as an example of a component of carbohydrate was incorrect. Dietary fibre As noted above, nutrition content claims about It appears FSANZ has adopted a meaning of carbohydrate that KHQ dietary fibre on foods with more than 1.15% ABV includes dietary fibre as a component of carbohydrate. This is in are not currently permitted and the approved draft contrast to definitions of carbohydrate in section 1.1.2—2 (i.e. dietary variation will not change this. The reference in the fibre is not a component of either available or unavailable CFS to dietary fibre as an example of a component carbohydrate, except potentially in relation to ingredients that are of carbohydrate was incorrect. permitted to be added to beer). If dietary fibre cannot be legally defined under the Code as being a "component of carbohydrate", then the Subsection 1.2.7—4(1) in the approved draft proposed new section 1.2.7-4(3) would not expressly prohibit dietary variation will prohibit nutrition content claims on fibre claims. foods with more than 1.15% ABV. Subparagraph 1.2.7—4(1)(c)(i) will provide that this prohibition If the definition of "carbohydrate" which applies are those which are does not apply to a nutrition content claim about listed in section 1.1.2-2, can FSANZ confirm that dietary fibre is not a carbohydrate content. Subsection 1.2.7—4(2) will component of carbohydrate as legally defined under the proposed provide that this exception does not apply to or amendment? permit nutrition content claims about the Please confirm that the listing of dietary fibre in the nutrition information components of carbohydrate, other than claims panel or within provision of daily intake information will not be about 'sugar' or 'sugars'. prohibited by the proposed amendment. This approach is consistent with the overall intent to prohibit nutrition content claims on food containing If the definition of "carbohydrate" which applies are those which are listed in section 1.1.2-2, can FSANZ confirm that a product which more than 1.15% ABV unless specifically permitted contains no carbohydrate as calculated under Schedule 11 but does by the Code. contain dietary fibre ought to declare its carbohydrate content as "0 g" Should an alcoholic beverage contain no and will be eligible under the proposed amendment to be carbohydrate as calculated in accordance with "Carbohydrate Free"? Schedule 11, then the NIP declaration for carbohydrate would be zero. Note that in terms of 'free' claims, consumer law

		also applies, in both Australia and New Zealand. That is, claims should not be misleading or deceptive.
Subsection 1.2.8—6(5) states that in the case of a sugars or carbohydrate claim being made, fibre needs to be declared in the NIP. Does this contradict the intent to prohibit claims about dietary fibre. Does Standard 1.2.8 need to be updated to remove this requirement for alcoholic beverages?	AGW Individual	As discussed above, currently nutrition content claims about dietary fibre are prohibited on food containing more than 1.15% ABV.  The requirement to include dietary fibre in the NIP when a claim is made about sugars or carbohydrate was included in the Code under Proposal P167 – Review of nutrition labelling. The reason for this requirement was to provide consumers with information about nutrients that are physiologically inter-related and/or have nutritional ramifications. It was considered that requiring dietary fibre in the NIP when sugar and/or carbohydrate claims are made is justified on the basis of providing contextual information for the cluster of nutrients (sugars, any other type of carbohydrate, dietary fibre or any specifically named dietary fibre). FSANZ has not reviewed this approach specifically for alcoholic beverages.
'No added sugar' claims		
Under Option 2 of the CFS, if sugar claims can be made on wine on the same basis as other products, then wine needs to be added to the list of beverages under column 4 of the table to section S4—3 that can make 'no added' claims. Wine is made from the juice of fresh grapes to which concentrated grape juice is permitted to be added. This is not considered to be addition of exogenous sugars. Wine should be afforded the same allowances as fruit juice. In fact, the sugars in concentrated grape juice that is added for enrichment (to increase the amount of fermentable carbohydrates to extend fermentation) are mostly fermented into alcohol and therefore not present in the final product.	AGW NZ Wine	Requirements for <i>no added sugar(s)</i> claims are outside the scope of this Proposal. Since the CFS for Proposal P1049 was released, FSANZ finalised work on Proposal P1062 – Defining added sugars for claims. Discussion of residual 'added sugar' after fermentation in relation to <i>no added sugar(s)</i> claim conditions is in section 3.3.2.3 of the approval report for Proposal P1062.
Proposal P1062 appears to impact the reforms of P1049. Does not support a definition of 'added sugars' that includes single strength fruit	Cider	See response above. Single strength fruit juice is not an <i>added sugar</i> for the purpose of <i>no added</i>

and vegetable juice as 'no added sugar' claims are sometimes used to differentiate ciders made from 100% juice and ciders containing sucrose. The definition of 'added sugar' must be meaningful for the product in question.		sugar(s) claims (see section S4—3). Proposal P1062 – Defining added sugars for claims.
Under column 4 of the table to section S4—3, 'No added' claims for sugar or sugars can be made only when a product contains 'no added sugars*, honey, malt, or malt extracts'.  Malt and malt extract are essential inputs for the production of beer. Lion does not consider malt or malt extract used as an ingredient for beer to be 'added' since the sugar content is mostly consumed in fermentation. As such, beer should not be prevented from making 'No added' claims because malt or malt extract were base ingredients. Point (a) should be amended to reflect this. Such an amendment would be consistent with the permission in point (b) for certain beverages to use concentrated fruit juice where fruit juice is an integral ingredient.	Lion	As noted above, requirements for <i>no added</i> sugar(s) claims are outside the scope of this Proposal. See section 3.3.2.3 of the approval report for Proposal P1062 – Defining added sugars for claims for a discussion on residual 'added sugar' after fermentation in relation to no added sugar(s) claim conditions. Malt and malt extract are 'added sugar' for the purpose of claim conditions.
Consumer evidence: quality of evidence assessment		
Concerned with the quality and rigour of the evidence assessment, in particular a lack of consideration of conflicts of interest or commercial biases of industry-funded research.  Recommend the literature review be revised and strengthened to include an assessment of the commercial biases of each reference including conflict of interest statements, funding sources and affiliations of authors.	CCA CSNZ ACA ADF FHA DA AHW George Institute	FSANZ's (2023) consumer literature review utilised best-practice review methods and was peer reviewed by an independent academic.  FSANZ acknowledges that conflicts of interest can potentially influence research quality, however it is appropriate to assess the risk of bias on a case-bycase basis. Evidence of bias can be discerned through the level of methodological rigour of the study in question. FSANZ therefore conducted standardised quality assessments of each study included in the literature review and update. The tool used to undertake these assessments (known as the revised QATSDD, available in Appendix 2 of the 2023 consumer literature review (FSANZ 2023) and its 2025 update (see Supporting document 1)) consists of 14 items that are designed to identify methodological limitations that may affect the internal validity of the study and therefore indicate evidence of bias. In addition, when narratively

		synthesising confidence in the findings, consideration was given to the general principles of the Grading of Recommendations, Assessment, Development and Evaluations (GRADE) framework. That is, consideration was given to the quality of the individual studies (as assessed by the revised QATSDD), the consistency of findings across studies, and the directness of the measures.
Consumer evidence: inclusion and weighting of low- and medium-o	quality studies	
Submitters note there is benefit to including grey literature as research on nutrition content claims on alcohol is still in its infancy, however there is concern about the inclusion of low and medium quality, nonpeer reviewed reports, particularly those funded by industry.	CCA CSNZ PHAA	FSANZ agrees there is benefit to including grey literature in the evidence review and considering them in line with their assessed quality. See response above.
There is also concern that low and medium quality studies were given equal weight with the one high quality study included in FSANZ's review. In particular, there is disagreement with FSANZ's view about one high quality study not being generalisable and submitters expressed the concern that FSANZ's conclusion was therefore to discount the study.	DA AHW	Low and medium quality research was not given equal weight with the one high-quality study in the review. The high-quality study included in FSANZ's 2023 literature review (Cao et al. 2023) had certain limitations that affected its generalisability. As noted in the literature review, the study by Cao et al.
Recommend the literature review be revised and strengthened to include an assessment of the grey literature, and exclude or reference original research for references that are not peer reviewed journal articles or research reports e.g. media releases and fact sheets.		(2023) was not undertaken with a nationally representative sample and did not include mandatory nutrition information. This made it unclear if the findings would be generalisable to the general population in the current regulatory context (where NIPs are required on alcoholic beverages that make a nutrition content claim). It also did not provide any insight into a regulatory context where energy content information is provided on all alcoholic beverages as required under Proposal P1059.
		The findings of Cao et al. 2023 were not discounted. However it was important to understand if the effects on consumers' perceptions and behaviour remained in both the current and future regulatory contexts. The study's methodology

Consumer evidence: consumer value of claims		and measures informed FSANZ's consumer research (see section 3.3.4.2), which was designed to address these limitations.
Submitters disagreed with the conclusion that consumers value sugar claims on alcohol, suggesting that it overstated the available evidence. Reasons are that the studies supporting this conclusion were:  • low and medium quality  • not peer-reviewed  • funded by industry  • irrelevant or had indirect measures of value (especially the Colmar Brunton (2017) survey and focus groups)  • undertaken in other countries, and therefore not likely to be generalisable to the Australian/New Zealand population (Ghvanidze et al. 2017).  • mixed in their findings.  Recommend the Colmar Brunton references be omitted as they lack relevance and the evidence on consumer value of health claims is low quality and mixed.	CCA CSNZ ACA FHA DA AHW	FSANZ conducted standardised quality assessments of each study included in the literature review (FSANZ, 2023) and update (see Supporting document 1) to evaluate the methodological rigour (and therefore any evidence of bias) in the research.  While acknowledging that the quality of the research around consumer value of claims varied, FSANZ was able to have confidence in the findings regarding consumer value of claims given the consistency of findings and the inclusion of two medium quality studies, in particular one (Colmar Brunton 2017 survey) based on a nationally-representative Australian sample.  FSANZ considers that the Colmar Brunton (2017) research, which investigated consumer views of whether a '99.9% sugar free beer' is acceptable to display on a billboard, is relevant to the question of whether consumers think sugar claims on beer are acceptable. Although some participants in the study thought it was unacceptable, this was a minority. Qualitative findings showed that consumers found the advert to be acceptable because they appreciated being presented with "health facts" to make informed choices. The research therefore provided evidence regarding consumer value of claims.
Industry-commissioned research shows that, of those who had consumed RTDs in the last three months, the amount of sugar was a factor in their choice of RTD for 27% of consumers in Australia and	Lion	Noted. FSANZ's literature review also found that consumers want and value sugar claims (and sugar information more broadly) on alcoholic beverages,

38% of consumers in New Zealand.  More than half of beer and RTD consumers consider that in circumstances where a beer or RTD product can make a claim about carbohydrate or sugar, this is very important or somewhat important for them to know. Around one quarter to one third of beer and RTD drinkers looked at the nutrition information panel (NIP) last time they purchased. Among those who looked at the NIP, claims are even more important. In short, these claims are recognised and valued by consumers.		and may also value carbohydrate claims.
Consumer evidence: consumer perceptions of alcoholic beverages		
The available evidence, as presented in FSANZ's consumer literature review, sufficiently demonstrates that carbohydrate and sugar claims on alcohol cause consumers to make inaccurate assumptions about alcoholic beverages. Despite a paucity of high-quality articles, there is a consistent and definite trend in the research demonstrating claims cause consumer confusion or misperceptions.  Submitters noted that the evidence review found that:  • sugar claims caused subjects to mistakenly perceive drinks as lower in alcohol content. This could lead to increased harms from alcohol consumption.  • claims led participants to think products were significantly healthier, more suitable as part of a healthy diet, better for weight management, less harmful to health, lower in energy, and lower in sugar compared to products without claims.  • claims may make consumers less likely to exercise or change their diet to compensate for the energy from alcoholic beverages, suggesting consumers believe alcohol products with claims have less impact on energy intake than those without.  There is concern that the toxicity and high energy value of alcohol is not a primary consideration by consumers in the presence of carbohydrate and/or sugar claims.	ACA ADF FHA Dietitians NZ NCETA NHF TWO NSWFA NZFS NZPHA Qld Health SA Health Tas Health Vic Gov WA Health	Since the CFS, the assessment of evidence, including FSANZ's (2024) research and updated literature review (see Supporting document 1), indicates carbohydrate and sugar claims have no effect on consumers' intended consumption of alcohol and do not cause consumers to perceive alcoholic beverages as being overall healthy, unharmful to health, low in energy, helpful for weight management, and/or suitable as part of a healthy diet. The claims were also found to have no effect on consumers' perceived alcohol content of alcoholic beverages (see section 3.3.4).  Contrary to the 2023 evidence review, FSANZ's research found that claims have no effect on consumers' likelihood of modifying physical activity or food intake. This is likely because consumers in FSANZ's research were provided with mandatory nutrition information (NIPs and/or energy statements), making the energy content more salient.

Industry-commissioned consumer research found that consumers do not typically choose alcoholic beverages with carbohydrate/sugar claims because they believe that they are lower in alcohol.	Lion	Noted. FSANZ's consumer research (2024) and updated literature review (see Supporting document 1) found carbohydrate and sugar claims have no effect on consumers' perceived alcohol content of alcoholic beverages (see section 3.3.4).
Consumer evidence: impact on alcohol consumption		
Evidence requested around consumer behaviour (Q1 in the CFS) in response to carbohydrate and sugar claims should not be used in the assessment of whether they should be permitted. The focus should be on whether these claims mislead consumers and/or are promoting alcohol as a healthier choice, in line with food ministers' request.	FHA	Consistent with FSANZ Act requirements, a comprehensive evidence assessment was required to understand how consumers perceive and respond to carbohydrate and sugar claims. This includes evidence around effects on consumer behaviour.
The evidence that sugar and carbohydrate claims on alcoholic beverages do not affect consumption is weak, indirect, biased, not peer reviewed, or not relevant. Such studies should be excluded.	FHA NZFS ACA ADF PHAA	FSANZ evaluates relevant studies based on their scientific merits irrespective of their source.  The finding that carbohydrate and sugar claims on alcoholic beverages do not affect consumption is based on three high-quality studies, two of which were peer-reviewed journal articles (see FSANZ 2023 and Supporting document 1). FSANZ's consumer research (FSANZ 2024) found consistent results, and was peer reviewed by three independent academics.  Although it is acknowledged that consumers' behavioural intentions may not necessarily reflect actual behaviour, intended alcohol consumption is correlated with actual alcohol consumption, and thus is a useful proxy measure.
Per capita consumption of alcohol needs to be viewed with caution. The proportion of the population consuming alcohol is decreasing, but, amongst drinkers, ethanol intake is increasing. There is insufficient data to assess whether these claims are affecting those trends.	NRA	FSANZ's consumer research (2024) and updated literature review (see Supporting document 1) found carbohydrate and sugar claims have no effect on the amount of alcoholic beverages consumers intend to consume (see section 3.3.4).

Independent consumer research commissioned by industry indicates that claims do not result in an increase in overall consumption of alcoholic drinks.

New Zealand data shows per capita consumption of alcohol has remained steady if not trending slightly downwards. and 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 (according to Nielsen data Total Scan Market, Value Sales, MAT to 13.08.23), market data shows consumers are not drinking more alcohol due to the presence of claims but are switching from regular beer to low carb product.

In both Australia and New Zealand, the availability of beer and RTDs with low/no carbohydrate or low/no sugar claims is not correlated to an increase in consumption. On the contrary, compared with the average beer drinker, low/no carbohydrate beer drinkers consume slightly fewer serves per week. In Australia, the average beer drinker consumes around 3.9 serves per week compared with a low/no carbohydrate drinker who consumes around 3.3 serves per week. In NZ, the average beer drinker consumes around 5.1 serves per week compared with a low/no carbohydrate drinker who consumes around 4.2 serves per week. There is no suggestion in any of this research that low/no carbohydrate or no/low sugar beverages are consumed in addition to, rather than in place of, their full carbohydrate or sugar equivalents. Compared with the average RTD drinker, low/no sugar RTD drinkers drink around the same number of serves per week. In Australia, the average RTD drinker consumes around 2.6 serves per week compared with a low/no sugar drinker who consumes around 2.7 serves per week. In NZ, the average RTD drinker and low/no sugar RTD drinker both consume around 3.7 serves per week.

For non-alcohol drinkers, the carbohydrate/sugar content of alcoholic beverages is a low priority consideration, so low/no carbohydrate or low/no sugar labelling does not significantly influence their choices. For most consumers who choose to drink low/no carbohydrate or low/no sugar beer or RTDs, removing these claims would lead the majority to choose another alcoholic beverage category with few consumers (around 3%) saying they would instead choose a non-alcoholic

Brewers NZ

DB

Lion

As noted above, FSANZ's consumer research (2024) and updated literature review (see Supporting document 1) found carbohydrate and sugar claims have no effect on the amount of alcoholic beverages consumers intend to consume (see section 3.3.4).

beverage or low/zero alcohol beer/RTD (that is not low/no carbohydrate or sugar) rather than not drink at all.		
The growth in products making carbohydrate and sugar claims does not correlate to an increase in the consumption of alcoholic beverages overall.	NZ Wine	As noted above, FSANZ's consumer research (2024) and updated literature review (see Supporting document 1) found carbohydrate and sugar claims have no effect on the amount of alcoholic beverages consumers intend to consume (see section 3.3.4).
As stated in the CFS, there is no scientific basis connecting claims to consumer consumption or behavioural change. The evidence presented indicates no (or an inverse) correlation to claims and consumer behaviour.	AGW Brewers Aus Brewers NZ Brewers Guild NZ DB	As noted above, FSANZ's consumer research (2024) and updated literature review (see Supporting document 1) found carbohydrate and sugar claims have no effect on the amount of alcoholic beverages consumers intend to consume (see section 3.3.4).
Consumer evidence: additional evidence that should be considered	1	
There is limited evidence relating to the impact of claims on alcohol products. It is relevant to consider the wealth of consumer research regarding the impact of nutrition content claims on food and non-alcoholic beverages which shows consumer confusion regarding these claims. References were provided.	FHA CCA PHAA Dietitians NZ AHW DA	FSANZ agrees that the available evidence at CFS was limited. FSANZ has since conducted further research to examine consumer responses to carbohydrate and sugar claims on alcoholic beverages (see section 3.3.4.2) and updated the literature review in light of newly available evidence (see Supporting document 1). FSANZ's research found that carbohydrate and sugar claims have no effect on the amount of alcoholic beverages that consumers intend to consume. This finding is consistent with FSANZ's updated literature review.
		The impacts of claims on general foods and non- alcoholic beverages was not considered because this proposal is about claims on alcoholic beverages. Consumer behaviour around alcoholic beverages may differ from that in relation to general foods and non-alcoholic beverages.

Recommend the evidence review includes literature on the harms of alcohol and alcohol consumption; and the impacts of labelling and claims on alcohol consumption and broader consumer health literacy related to alcohol related harms.  The evidence review is incomplete and potentially misleading and cannot be relied upon to support the legislative change proposed. Recommend the legislative process is paused until a more comprehensive evidence review is available, in alignment with best practice regulation guidelines.	George Institute	As noted above, FSANZ has since conducted further research to examine consumer responses to carbohydrate and sugar claims on alcoholic beverages (see section 3.3.4.2) and updated the literature review in light of newly available evidence (see Supporting document 1). FSANZ's research found that carbohydrate and sugar claims have no effect on the amount of alcoholic beverages that consumers intend to consume. This finding is consistent with FSANZ's updated literature review. FSANZ's consumer literature review utilised best-practice review methods and was peer reviewed by an independent academic.  Literature on alcohol-related harms was not considered in the consumer literature review because this was outside the scope of P1049. The literature review examined consumer value, perceptions, and behaviours in relation to carbohydrate and sugar claims on alcoholic beverages.
<ul> <li>Submitters suggested FSANZ should consider the following studies that looked specifically at consumers' perceptions of claims and nutrition information on alcoholic beverages:</li> <li>Ilchenko, E and Morley, B. (2023), Shape of Australia Survey 2022: Final Report, Melbourne, Australia.</li> <li>Alcohol Change Australia (2023), Omnibus survey results: Carbohydrate and sugar claims on alcohol products. Unpublished research.</li> <li>Bowden J, Harrison NJ., Caruso J, Room R, Pettigrew S, Olver I and Miller C (2022) 'Which drinkers have changed their alcohol consumption due to energy content concerns? An Australian survey', BMC Public Health, 22(1):1775.</li> </ul>	CCA CSNZ FHA DA PHAA AHW George Institute NCETA FARE NHF	FSANZ has considered all of the suggested studies in the updated rapid systematic literature review (see Supporting document 1). The exception is Popovich and Velikova (2023), as this study did not examine the effect of carbohydrate and sugar claims on consumers perceptions of the healthiness of alcoholic beverages.

<ul> <li>Cancer Council NSW (2023), Alcohol use, awareness and support for policy measures: NSW Community Survey on Cancer Prevention 2022, Sydney, Australia.</li> <li>Popovich D, Velikova, N. (2023) 'The impact of nutrition labelling on consumer perception of wine', Journal of Consumer Marketing, 40(1):748-757.</li> <li>Pitt H, McCarthy S, Keric D, Arnot G, Marko S, Martino F, Stafford J and Thomas S. 2023. 'The symbolic consumption processes associated with 'low-calorie' and 'low-sugar' alcohol products and Australian women', Health Promotion International, 38(6):daad184.</li> </ul>		
Consumer evidence: limited evidence/further evidence is required		
The limited evidence does not mean there is no harm created by these claims, only that the effect is not known.	AHW Qld Health VIC Gov	Consistent with the FSANZ Act, FSANZ must have regard to the best available scientific evidence. Following the CFS, FSANZ undertook high-quality consumer research which strengthened the evidence base (see section 3.3.4.2) and also updated the literature review in light of newly available evidence (see Supporting document 1). The totality of evidence indicates that carbohydrate and sugar claims on alcoholic beverages are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness and lack of effect on consumers' behavioural intentions (see sections 3.3.4 and 4.1.2).
Further evidence is required to support FSANZ's position as this appears to be an alternative position to the initial referral from Ministers. The evidence does not demonstrate whether consumers are able to interpret these claims accurately to make informed decisions. Rather, available evidence indicates that the use of such claims promotes alcohol as a healthier choice for consumers when public health advice is to limit alcohol intake.	NZFS Qld Health Vic Gov Tas Health NSWFA FARE	As the FMM's request related to sugar claims on alcoholic beverages and enforcement agencies identified a lack of clarity in the Code for such claims, the scope of the proposal was to consider the permission to make nutrition content claims about carbohydrate and components of carbohydrate such as sugar, in relation to food than contains more than 1.15% ABV. See sections 1.2 and 1.4 of this report.

	FHA NHF Dietitians NZ SA Health TWO	Following the CFS, the FMM asked FSANZ to undertake research to better understand if consumer perceptions and behaviours are influenced by carbohydrate and sugar claims on alcoholic beverages to inform a decision on a potential addendum to policy guidance based on the available evidence (see FMM communique December 2023). The findings of this research strengthened the available evidence base.  The evidence indicates that carbohydrate and sugar claims on alcoholic beverages are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness and lack of effect on consumers' behavioural intentions (see sections 3.3.4 and 4.1.2).
FSANZ should consider undertaking consumer research to ensure carbohydrate and sugar claims on alcoholic beverages do not have a negative public health impact.  The evidence directly linking carbohydrate and sugar claims on alcoholic beverages to consumer behaviours is limited. Suggest FSANZ considers the weight of evidence across a range of relevant studies and also explores opportunities to conduct further consumer testing to address evidence gaps.	SA Health VIC Gov	Following the CFS, FSANZ undertook high-quality consumer research which strengthened the evidence base (see section 3.3.4.2) and also updated the literature review in light of newly available evidence (see Supporting document 1).  The totality of evidence indicates that carbohydrate and sugar claims on alcoholic beverages are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness and lack of effect on consumers' behavioural intentions (see sections 3.3.4 and 4.1.2).
Recommends independent consumer behavioural testing of potential carbohydrate and sugar claims to understand how consumers interpret claims in relation to alcohol use. It is essential to investigate whether provision of these claims supports or undermines the important public health objective of reducing alcohol related harm.	NCETA	Since the CFS, FSANZ has conducted further research to examine consumer responses to carbohydrate and sugar claims on alcoholic beverages (see section 3.3.4.2). An expert reference group consisting of three independent academics provided advice on the research design and methodology, and peer reviewed the final report.  In addition, FSANZ's updated literature review (see

		Supporting document 1) included two new high-quality studies that examined consumers' perceptions and/or behaviours in response to carbohydrate and sugar claims on alcoholic beverages.  The totality of evidence indicates that carbohydrate and sugar claims on alcoholic beverages are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness and lack of effect on consumers' behavioural intentions (see sections 3.3.4 and 4.1.2).
Suggests FSANZ undertake consumer research to investigate the implication of any label changes on consumers ability to make informed choices, in the context of the package of proposed changes to labelling of alcoholic beverages from both P1049 and P1059 to add to the limited evidence currently available.	NZFS	As noted above FSANZ has undertaken consumer research to examine consumer responses to carbohydrate and sugar claims on alcoholic beverages (see section 3.3.4.2).  FSANZ's research took into account proposed labelling under Proposal P1059 for energy labelling to be present on alcoholic beverages.
Recommends FSANZ considers consumer testing and other measures to reduce the potential risk of harm to consumers if this proposal proceeds e.g. a mandatory statement alerting consumers that sugar does not reflect total energy or alcohol content. This is particularly important for communities with lower levels of health literacy and communities disproportionately affected by alcohol-related harm. Evidence is particularly lacking for priority populations.	NZPHA	As noted above FSANZ has undertaken consumer research to examine consumer responses to carbohydrate and sugar claims on alcoholic beverages (see section 3.3.4.2).  The totality of evidence indicates carbohydrate and sugar claims have no effect on consumers' intended consumption of alcohol and are unlikely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness (see sections 3.3.4 and 4.1.2).  The requirement to provide a NIP when a claim is made provides additional nutrition information to assist consumers in making informed choices.

There is little evidence that having carbohydrate and sugar claims on alcoholic beverages provides any benefit to consumers. The evidence is particularly lacking for priority populations.	TWO	FSANZ's evidence review found that consumers who consume alcohol value sugar claims on alcoholic beverages, and may also value carbohydrate claims (see section 3.3.4.1). There was no evidence available about whether priority populations value these claims.
Cost benefit analysis – costs		
Costs to the alcohol industry of changing labels have been overstated and can be disregarded. The alcohol industry has a fundamental conflict of interest with public health to protect their profits. Previous cost claims (in relation to the introduction of warning labels) made by alcohol companies and their lobby groups have been highly inflated and are significantly higher than several independent cost studies.	FARE PHAA TWO	The FSANZ Act requires FSANZ to consider both the cost and the benefits of each regulatory option, including the costs and benefits to industry.  Prohibiting claims would impose costs on industry. As such, such costs must be considered (see section 4.3.1.1).  FSANZ's current cost model has been designed to estimate label change costs and takes account of independent studies and producer price inflation. FSANZ has triangulated label change cost estimates with parts of industry, such as printers and supermarkets, independent of alcohol companies and their representatives.
In New Zealand, the alcohol industry has known since 2016 that MPI/NZFS have been questioning the clarity of the Code for sugar claims. Any companies who have adopted such claims while P1049 has been in progress have made a business decision to do so knowing that regulations could change and therefore costs for removing these claims should not be included in the cost benefit analysis.	NZFS NZPHA	The FSANZ Act requires FSANZ to consider both the cost and the benefits of each regulatory option, including the costs and benefits to industry.  Prohibiting claims would impose costs on industry. As such, such costs must be considered (see section 4.3.1.1).
The policy intent of the Code (as determined in FSANZ's 2018 Technical assessment) is clear that carbohydrate and sugar claims are regulated separately, and that the intent was to not permit sugar claims. However sugar claims continue to proliferate. It is therefore disingenuous to incorporate costs associated with removing this	TWO FARE FHA	

marketing in the cost-benefit analysis.		
If P1059 proceeds, changes to labelling will already be required. Therefore the costs of removing claims would be negligible.  Ensure that relabelling costs to industry are not duplicated across Proposals P1049 and P1059, and that they are adjusted downwards to take account of cost efficiencies associated with implementing both changes together.	NZFS NZPHA TWO FHA	FSANZ recognises that aligning label changes can reduce total relabelling costs for industry. Since the CFS, FSANZ has considered label change costs for aligning changes under P1049 (i.e. Option 3 prohibiting claims) with changes proposed under P1059, as well as when done in isolation (see Table 5 to section 4.3.1). Based on this FSANZ does not agree that costs of removing claims would be negligible if such changes were aligned with label changes from Proposal P1059.
Companies undertake regular brand and packaging revisions in response to a range of factors such as new ingredients, labelling and other requirements. Any new requirements should be able to be incorporated within the proposed 2–3-year transition period.	Dietitians NZ	The approved draft variation clarifies Code permissions for nutrition content claims about carbohydrate and sugar on food that contains more than 1.15% ABV. FSANZ does not anticipate significant labelling changes being required as a result of the approval of the draft variation. Therefore no transitional arrangements are included in the approved draft variation (see section 5 and Attachment A).
		However, for most products, costs associated with changes to labelling requirements are additional to the costs of changing labels in the normal course of business. Some products do not undergo regular brand / packaging updates and would not otherwise have label changes within a three-year period.
It is not clear from Table 1 presenting the estimated average label change costs (Attachment D to the CFS) what percentage of products in the market are cans versus bottles vs casks therefore it is difficult to assess true costs easily.	Dietitians NZ	FSANZ does not have sufficient data to estimate the percentage of products labelled with carbohydrate and sugar claims for each packaging type. However, FSANZ has estimated 6% of alcoholic beverage stock-keeping-units (SKUs)

		currently display a nutrition content claim. Excluding SKUs that make energy content claims, affected SKUs under option 3 labelled with carbohydrate and/or sugar content claims are therefore estimated at less than 6% of total alcoholic beverage SKUs (see section 4.3).
Any costs borne by industry to change labels if claims were prohibited would likely pale in comparison, relative to turnover.	Qld Health WA Health	As noted above, FSANZ is required to consider the costs and benefits for each regulatory option in accordance with FSANZ Act requirements.
Suggest alcohol related harms are included in the cost benefit analysis.  The current analysis only considers the costs to industry and has failed to give any consideration to public health, and health and social costs that are associated with alcohol related harm. Costs to public health (including the potential for these claims to set back prevention efforts made in the areas of alcohol consumption, physical activity and nutrition) should be considered part of the cost to both the community and the government and considered against costs to the alcohol industry.  Recommends a more thorough consideration of disability adjusted life years (DALYs) and community harm is included in the cost benefit analysis. Alcohol was responsible for \$48.6 billion in intangible costs including years of life lost and lost quality of life from living with alcohol dependence or from child abuse, and impacts on victims of alcohol-caused crime. Further information on the cost of alcohol-related harm were provided.	AHW FHA Consumer NZ NHF Qld Health Vic Gov WA Health ACA ADF FARE DA PHAA CCA CSNZ George Institute Dietitians NZ NZPHA Tas Health	As stated above, the evidence indicates carbohydrate and sugar claims on alcoholic beverages have no effect on consumers' intended consumption of alcohol. Nor are such claims likely to mislead consumers due to their limited impact on consumers' perceptions of healthfulness (see sections 3.3.4 and 4.1.2).  FSANZ's evidence based assessment is that clarifying the requirements for making voluntary nutrition content claims about carbohydrate and sugar content on food that contains more than 1.15% ABV is unlikely to affect the protection of public health and safety of consumers who choose to consume alcoholic beverages.

Broaden assessment to consider alcohol intake against dietary guideline to limit alcohol, rather than focus only on sugar.	FHA	The totality of evidence indicates carbohydrate and sugar claims have no effect on consumers' intended consumption of alcohol (See section 3.3.4).
Packaging changes affect small craft brewers unproportionally compared with other industries.  - The recent reprinting of labels for pregnancy warnings were a huge expense.  - Cost margins are very tight and this proposal would result in thousands of dollars for packaging/marketing/design and printing costs to update all existing labels for all products. As well as costs involved in wasted packaging, lab testing, proofing, lead times, compliance and lost opportunity for redirecting staff. This could push some small craft brewers beyond a viable point.  - Unable to order/buy in bulk whilst this and P1059 are considered. This means they are already paying more for smaller quantities.  - Costs of production have increased by 30% recently, so any further increases will see companies suffer.	Beernoevil (C) Bowden (C) Brightstar (C) IBA-SA (C) Noosa (C) Kick Back (C) Swell (C) Western (C) Lone Gum (C) Shapeshifter (C) Silver Bark (C) Tiny Fish (C)	The approved draft variation clarifies Code permissions for nutrition content claims about carbohydrate and sugar on food that contains more than 1.15% ABV. FSANZ does not anticipate significant labelling changes being required as a result of the approval of the draft variation at Attachment A, which is based on Option 2 (see section 4.3.1.1).  The proposed amendments to the Code are voluntary measures. Consequently, FSANZ expects that food businesses would only act on those permissions if doing so results in a net benefit for them.
The CFS correctly noted there is little independent data or information that helps to inform decision making on this matter. Request major decisions are backed by hard data and robust cost analyses.	Campaign (IBA, etc.)	As noted in section 5.4.3 of the CFS, FSANZ's assessment was based on the best available evidence which included a rapid systematic literature review to examine the available evidence on consumer value, perceptions and behaviours in response to carbohydrate and sugar claims on alcoholic beverages.  Following the CFS, FSANZ undertook further consumer research (see section 3.3.4.2) and updated the literature review (see Supporting document 1), which strengthens the evidence base.

There is insufficient information provided in Attachment D of the CFS to comment on the estimated costs of labelling changes, as they relate to wine. The identified costs did not include those associated with reestablishing a brand (e.g. advertising and marketing).  Producers may commonly print labels in bulk (due to economies of scale) and, for wine, bottle product well in advance of release date. It appears that bottled back vintages have not been taken into account in estimating potential costs.	AGW	Costs of re-branding have been considered in Attachment D of the CFS, and as part of FSANZ's updated assessment (see section 4.3).  The approved draft variation clarifies Code permissions for nutrition content claims about carbohydrate and sugar on food that contains more than 1.15% ABV. FSANZ does not anticipate significant labelling changes being required as a result of the approval of the draft variation at Attachment A, which is based on Option 2 (see section 4.3.1.1).  The proposed amendments to the Code are voluntary measures. Consequently, FSANZ expects that food businesses would only act on those permissions if doing so results in a net benefit for them.
Generally agree with costings as outlined in the CFS per the Marsden-Jacobs model. However the model does not take account of other costs to producers and consumers associated with Option 3 — including loss of investment in product development and brand awareness.	Brewers NZ NZ Wine	The approved draft variation clarifies Code permissions for nutrition content claims about carbohydrate and sugar on food that contains more than 1.15% ABV. FSANZ does not anticipate significant labelling changes being required as a result of the approval of the draft variation at Attachment A, which is based on Option 2 (see section 4.3.1.1).
Suggests FSANZ consider including loss of market value for the estimated 15% low carbohydrate beer brands that have invested in the New Zealand market.	NZFGC	As noted above, the approved draft variation clarifies Code permissions for nutrition content claims about carbohydrate and sugar on food that contains more than 1.15% ABV.  FSANZ does not anticipate significant labelling changes being required as a result of the approval of the draft variation at Attachment A, which is based on Option 2 (see section 4.3.1.1).

Modelled costs are indicative only and actual costs may exceed this estimation:  - costs of re-branding, advertising and defending market shares.  - potential competitive disadvantage in overseas markets due to local label restrictions.  - information deficit – removing information that customers value, plus potential negative nutrition impacts of removing information that would allow consumers to consider lower sugar alcoholic beverages.	NRA	FSANZ agrees that costs are estimations only.  Costs of re-branding have been considered (see section 4.3). FSANZ does not anticipate significant labelling changes being required as a result of the approval of the draft variation at Attachment A, which is based on Option 2 (see section 4.3.1.1).
The costs as outlined require refinement to match current local supplier costs. Design costs vary depending on the degree of changes required.	DB	FSANZ notes that the costs of changing labels to meet a given requirement vary greatly across SKUs, depending on numerous factors (see section 4.3).  FSANZ does not anticipate significant labelling changes being required as a result of the approval of the draft variation at Attachment A, which is based on option 2 (see section 4.3.1.1).
Should Option 3 be carried forward, request a closer examination of labelling costs, including the methodology used to derive them.	Spirits NZ	The approved draft variation clarifies Code permissions for nutrition content claims about carbohydrate and sugar on food that contains more than 1.15% ABV. FSANZ does not anticipate significant labelling changes being required as a result of the approval of the draft variation at Attachment A, which is based on Option 2 (see section 4.3.1.1).
		The proposed amendments to the Code are voluntary measures. Consequently, FSANZ expects that food businesses would only act on those permissions if doing so results in a net benefit for them.
Cost benefit analysis – benefits		permissions if doing so results in

The benefit of informed choice for consumers is over-stated. The proposal concludes that a key benefit is the provision of information on sugar content for those who choose to consume alcoholic beverages to enable them to make informed choices consistent with dietary guideline recommendations about sugar. This conclusion is not supported based on the available evidence. As marketing material, it is not provided in a standardised way. As such, there is no way for people to assess the relative sugar and carbohydrate content of products with these claims.	NZFS NZPHA FARE FHA	FSANZ's consumer literature review found that consumers generally value sugar claims on alcoholic beverages (see section 3.3.4.1).  Both the Australian and New Zealand dietary guidelines explicitly refer to added sugar in alcoholic beverages (see section 2.2.2). Nutrition content claims about sugar will provide information to enable consumers who choose to consume alcoholic beverages and are seeking low and no added sugar alternatives to make informed choices.  FSANZ notes the decision to require energy content information on standardised alcoholic beverages and beverages containing ≥0.5% ABV that are not standardised alcoholic beverages (under Proposal P1059) will enable consumers to compare the energy content of alcoholic beverages, with and without claims.
The cost-benefit analysis underestimates benefits from removing promotional labelling on alcoholic beverages by not considering:  - impact of reduced alcohol consumption  - alcohol attributed health outcomes  - alcohol related harms	NHF	The totality of evidence indicates carbohydrate and sugar claims have no effect on consumers' intended consumption of alcohol (See sections 3.3.4 and 4.1.2)  FSANZ's evidence based assessment is that clarifying the requirements for making voluntary nutrition content claims about carbohydrate and sugar content on food that contains more than 1.15% ABV is unlikely to affect the protection of public health and safety of consumers who choose to consume alcoholic beverages.
For option 3, the value of clarity for enforcement agencies and consumers cannot be costed without a rigorous Social Return on Investment (SROI) study. There are many other intangible benefits that are likely to also return considerable value but are beyond the scope of this proposal to be investigated. Regardless, the total costs presented in Table 1 of Attachment D to the CFS are minimal compared to the total revenue in the Alcoholic Drinks market for Australia in 2023, \$43.1	WA Health	The approved draft variation clarifies Code permissions for nutrition content claims about carbohydrate and sugar on food that contains more than 1.15% ABV. FSANZ does not anticipate significant labelling changes being required as a result of the approval of the draft variation at Attachment A, which is based on Option 2 (see

billion (Statista Market Insights 2023) and the estimated 2017 – 2018 social cost of alcohol use in Australia, \$66.8 billion. (Australian Institute of Health and Welfare 2023)		section 4.3.1.1).  A quantitative estimate of the value of clarifying the permissions was not attempted. FSANZ agrees there are potential benefits for enforcement agencies that cannot be quantified (see section 4.3). Such benefits have been qualitatively considered alongside costs. The consumer research suggests there would be a cost to consumers if claims were removed.  FSANZ notes that costs would affect each alcoholic beverage producer differently regardless of the total revenue for the alcoholic beverage industry. Most affected alcoholic beverage producers would experience more than minimal costs associated with changing labels and any re-branding.  The proposed amendments to the Code are voluntary measures. Consequently, FSANZ expects that food businesses would only act on those permissions if doing so results in a net benefit for them.
Cost of benefits is not appropriate where health is concerned.	FTAA	FSANZ is required by the FSANZ Act to consider whether costs outweigh benefits (of a food regulatory measure) to the community, government or industry. That includes all relevant costs and benefits, including those related to health.
Transition period		
There is a significant interrelation between Proposals P1049 and P1059. Suggest that informed decision making on these two proposals may only occur if they are progressed together and provided to food ministers for consideration at the same time.  Request more clarity on how the implementation of P1049 will align	NSWFA NZFS Campaign (IBA, etc)	Proposals P1049 and P1059 are being progressed in parallel so they can be considered together by the FSANZ Board and then the FMM at the same time.  The approved draft variation clarifies Code
with the implementation and transition times for P1059.		permissions for nutrition content claims about carbohydrate and sugar on food that contains more than 1.15% ABV. FSANZ does not anticipate

		significant labelling changes being required as a result of the approval of the draft variation at Attachment A, which is based on Option 2 (see section 4.3.1.1). As such alignment with implementation of P1059 is not needed.  The proposed amendments to the Code are voluntary measures. Consequently, FSANZ expects that food businesses would only act on those permissions if doing so results in a net benefit for them.
Should carbohydrate and sugar claims be prohibited, industry costs to change labels could be reduced by providing industry with an extended implementation period or by timing the changes with other labelling changes such as those that may arise from Proposal P1059.	Qld Health	The approved draft variation clarifies Code permissions for nutrition content claims about carbohydrate and sugar on food that contains more than 1.15% ABV. FSANZ does not anticipate significant labelling changes being required as a result of the approval of the draft variation at Attachment A, which is based on Option 2 (see section 4.3.1.1). As such an extended implementation period or alignment with implementation of P1059 is not needed.
		The proposed amendments to the Code are voluntary measures. Consequently, FSANZ expects that food businesses would only act on those permissions if doing so results in a net benefit for them.
Should claims be prohibited, a transition period of at least three years would be essential. It would need to be contemporaneous with other labelling changes including those that result from P1059 and P1058 due to the scale of branding realignment that would be necessary. Stock labelled before the end of the transition period should be permitted to be sold until sold out.	NZ Wine Lion AGW	The approved draft variation clarifies Code permissions for nutrition content claims about carbohydrate and sugar on food that contains more than 1.15% ABV. FSANZ does not anticipate significant labelling changes being required as a result of the approval of the draft variation at Attachment A, which is based on Option 2 (see section 4.3.1.1). As such an extended
A long transition period, e.g. 3 to 5 years and P1049 and P1059 being done concurrently will help mitigate costs borne by small businesses.	Campaign (IBA, etc.)	implementation period or alignment with implementation of P1059 is not needed.

	Brewers Guild NZ	The proposed amendments to the Code are voluntary measures. Consequently, FSANZ expects that food businesses would only act on those permissions if doing so results in a net benefit for them.
Implementation and education		
Australian national and state governments are called to recognise the importance of strengthening health literacy – to empower individuals to make healthy choices – by embedding it into cross agency systems (e.g. education, communities, communication and health). This is in noting the role nutrition literacy can play in the reduction of Australia's chronic disease burden. Without nutrition literacy skills and education, consumers will remain disempowered in food and drink choices. It is therefore timely for FSANZ to start an across portfolio dialogue that advocates government to go beyond the food supply in reducing noncommunicable diseases.	WA Health	FSANZ acknowledges the importance of health literacy in enabling consumers to make healthy food choices. FSANZ considers consumer understanding when making changes to labelling requirements in the Code and when developing web-based education materials explaining Code changes. However, strengthening nutrition literacy skills via broad educational activities is outside FSANZ's remit.
The CFS notes that education may be needed to improve consumer understanding, however no further comments were made on how this might be achieved. Significant consumer education/educational material should be part of implementing this proposal to ensure consumers understand the claims, specifically:  - that 'low carbohydrate' or 'low sugar' does not necessarily equate to low energy or low alcohol  - that 'zero sugar' products still contain the same amount of alcohol as their full sugar comparators  - the energy contribution that alcohol makes to their diet  - how to accurately examine and compare a product bearing a claim.  Without education, misinterpretation of these claims on alcohol will continue, when the presence of alcohol significantly overrides any benefit for consumers.	Qld Health SA Health NSWFA WA Health	FSANZ recognises consumer education is important to support consumers' awareness and use of labelling information on alcoholic beverages. When making changes to labelling requirements in the Code, FSANZ utilises communication channels to inform consumers about any labelling changes.  The reference to consumer education in the CFS (see section 3 at Attachment D of the CFS) was made in the context of the consideration of costs and benefits and whether education alone could be a viable option to address the problem. FSANZ considered consumer education would not address the lack of regulatory clarity in Standard 1.2.7 concerning carbohydrate and sugar claims.

FSANZ should look further at the broader education initiatives currently deployed in the Australian community that aim to minimise alcohol intake. It is important that those parties responsible for these initiatives are aware of Proposal P1049 so they may tailor their messaging and advice.	NSWFA	FSANZ expects to communicate with health professionals and state, territory, Australian and New Zealand governments about the outcomes from P1059 on energy labelling on alcoholic beverages (see section 5.2 of the approval report for Proposal P1059). This will help raise awareness and support health education and promotion activities undertaken by health professionals and governments within the community
Asks FSANZ to consider creating and engaging consumer education as part of the solution.	Brightstar (C)	As noted above, FSANZ recognises consumer education is important to support consumers' awareness and use of labelling information on alcoholic beverages. When making changes to labelling requirements in the Code, FSANZ utilises communication channels to inform consumers about any labelling changes.
		The reference to consumer education in the CFS (see section 3 at Attachment D of the CFS) was made in the context of the consideration of costs and benefits and whether education alone could be a viable option to address the problem. FSANZ considered consumer education would not address the lack of regulatory clarity in Standard 1.2.7 concerning carbohydrate and sugar claims.
The literature review refers to consumers' poor level of understanding of nutritional properties and carbohydrate content of alcohol. There is scope for industry to work together with FSANZ to improve consumer understanding regarding labelling information post implementation of the proposal.	Brewers Aus Brewers NZ DB	As noted above, FSANZ recognises consumer education is important to support consumers' awareness and use of labelling information on alcoholic beverages. When making changes to labelling requirements in the Code, FSANZ utilises communication channels to inform consumers about any labelling changes.
		As detailed in section 5.2 of the approval report for Proposal P1059, FSANZ expects to work with peak industry organisations and jurisdictional authorities on communication strategies to ensure there is

broad awareness of the new mandatory energy labelling requirements for alcoholic beverages.

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