

16 November, 2022

**Dr. Sandra Cuthbert**

[REDACTED]

[REDACTED]

**RE: Consultation on the colour of pregnancy warning labels for corrugated cardboard packaging**

Endeavour Group (**Endeavour**) welcomes the opportunity to participate in Food Standards Australia New Zealand (**FSANZ**) consultation to amend the Australia New Zealand Food Standards Code (**the Code**) to permit pregnancy warning labels on corrugated cardboard packaging used for multiple individual units of alcoholic beverages to be in a single colour on a contrasting background.

Endeavour supports FSANZ's proposed approach for the alternative pregnancy warning mark as detailed in 2.3.4 on page 15 of the discussion paper. Endeavour recognises the need to introduce mechanisms which help support the early intervention of Foetal Alcohol Spectrum Disorder. Endeavour aspires to lead in responsibility and supports targeted measures to provide consumers with adequate and relevant information to make informed choices.

Endeavour's national retail and hospitality footprint of 1,675 stores, 344 hotels, six wineries and three bottling facilities provides unique insights into some of the challenges the industry has faced with the implementation of the pregnancy warning labels as currently drafted under the Code.

Endeavour commends FSANZ's consumer literature review on warning label effectiveness to determine the final design of the warning label in order to meet policy objectives. Endeavour also appreciates FSANZ's recognition of the technical printing issues and costs associated with these labelling changes as currently required under the FSANZ Act and is pleased to see the draft food regulatory measure acknowledges these factors.

Endeavour is committed to making a genuine difference and welcomes every opportunity to work with all industry stakeholders to find ways which support consumers to make informed choices. I am grateful for your time in considering our views and I am happy to discuss any aspect of this submission in person at a time that is convenient for you. I can be reached on [REDACTED]

Regards,

[REDACTED]



Endeavour Group Limited

[REDACTED]

## **Executive Summary**

Endeavour is committed to working with Food Standards Australia New Zealand (FSANZ) and industry participants to implement pregnancy warning labelling as one measure which supports broader policy objectives. This submission details our support of the proposed amendments to the Code as detailed in the proposed draft food regulatory measure.

As a large retailer with more than 1,600 stores nationally, Endeavour recognises challenges suppliers face, both large and small, with implementing the regulatory provisions as currently drafted in the Australia New Zealand Food Standards Code (the Code).

In addition, as the retailer, the onus of ensuring supplier compliance sits with Endeavour when the stock hits the floor. Endeavour supports the requirement for labelling to be placed on all outer packaging primarily used for larger multipacks of beer, cider and pre-mixed drinks. However Endeavour does seek that FSANZ give further consideration to the definition of outer packaging.

Endeavour would like to take this opportunity to provide the following six recommendations in support of the revised food regulatory measure and implementation approach.

### **Recommendation 1**

*The proposed pregnancy labelling elements are adopted as described in 2.3.4 on page 15 of the discussion paper.*

### **Recommendation 2**

*A transition period in the Code of twelve months beginning from the date of gazettal of the proposed draft variation.*

### **Recommendation 3**

*A stock in trade provision for the labelling of prescribed alcoholic beverages (as set out in the draft variation) which are packaged and labelled before the end of the transition period, which is 2 February 2024.*

### **Recommendation 4**

*An education period is adopted, following the suggested twelve month transition period, which allows retailers the ability to implement a compliance monitoring program.*

### **Recommendation 5**

*The definition of outer packaging or transport outer is expanded to include the definition of a shipping unit.*

### **Recommendation 6**

*Further consideration is given to the current labelling requirements that industry has commenced implementation of and additional State, Territory and Federal legislative reviews that are currently underway in order to develop appropriate and manageable timelines which allow industry to meet compliance requirements.*

**Recommendation 1**

*The proposed pregnancy labelling elements are adopted as described in 2.3.4 on page 15 of the discussion paper.*

Endeavour commends FSANZ on its extensive consideration and review of the PWL standard and welcomes the proposed labelling requirements which address specific issues related to colour, size and application. These changes will still achieve the legislative requirements and meet the needs of the broader industry.

As a further note, as a result of the colour changes, Endeavour recognises that the proposed single black colour on a white, brown or grey outer packaging also addresses some important sustainability considerations such as:

- The white colour component prevents suppliers from using natural craft board (100% uncoloured carton) as the coloured logo required a large section, if not the whole panel, to be bleached white; and
- White dye is the least sustainable option of all the inks; titanium white is the most common option and there is no current natural ink option that is kinder to the environment and easier to recycle.

**Recommendation 2**

*A transition period in the Code of twelve months beginning from the date of gazettal of the proposed draft variation.*

Endeavour supports the proposal as detailed in the discussion paper.

**Recommendation 3**

*A stock in trade provision for the labelling of prescribed alcoholic beverages (as set out in the draft variation) which are packaged and labelled before the end of the transition period, which is 2 February 2024.*

Endeavour supports the proposal as detailed in the discussion paper.

**Recommendation 4**

*An education period is adopted, following the suggested twelve month transition period, which allows retailers the ability to implement a compliance monitoring program.*

As Australia's largest liquor retailer with more than 6,000 SKUs it is difficult to monitor compliance across our complex supply chain and our large and smaller suppliers. We pride ourselves on supporting small and local suppliers and as such we curate each of our stores to showcase locally produced products along with a range of international products. This means that each of our 1,675 stores are retailing different ranges of products.

As the onus of compliance sits with the retailer Endeavour will need to develop internal compliance monitoring processes and educate more than 16,500 team members across our supply chain and retail businesses to ensure we are retailing products that meet the regulatory labelling requirements. An additional twelve month period following the conclusion of the transition period will enable Endeavour to further support suppliers with the change and, in addition, ensure that any enforcement of the Code can be managed appropriately.

**Recommendation 5**

*The definition of outer packaging or transport outer is expanded to include the definition of a shipping unit.*

Endeavour appreciates that the intention of the proposed amendment is limited in scope and therefore only applicable to corrugated cardboard packaging used for the outer package of multiple individual

units. Endeavour acknowledges the economic and technical challenges suppliers have faced in implementing these changes.

Endeavour has been proactive in communicating the PWL & Plain English Allergen Labelling (PEAL) FSANZ changes to all suppliers in readiness for suppliers to implement the changes. As a result, Endeavour has received hundreds of queries from suppliers regarding the interpretation of outer carton and trade or shipping units within the provisions of the legislation. It is understood the intention of the legislation is to capture all layers of packaging which in fact includes these trade or shipping units. Endeavour encourages FSANZ to consider expanding the definition in both the PWL and PEAL in order to support suppliers in managing the change across their packaging lines and retailers in managing compliance.

In addition, it's important to note that most wine and spirit products are not sold by the case. Whilst we do use boxes to display products occasionally in our stores, our BWS and Dan Murphy's team members unpack wine and spirit cartons from the carton to the shelf. Empty boxes are then reused at point of sale for customers to carry their items safely and sustainably. Therefore, wine and spirit boxes are 95% of the time used to transport products unrelated to the consumable unit sold.

#### **Recommendation 6**

*Further consideration is given to the current labelling requirements that industry has commenced implementation of and additional State, Territory and Federal legislative reviews that are currently underway in order to develop appropriate and manageable timelines which allow industry to meet compliance requirements.*

There are a number of labelling changes the industry is working hard to adopt. Endeavour has always been and continues to be supportive of providing consumers with relevant information to make informed choices.

Due to Endeavour's unique industry perspective, from both a retailer and producer viewpoint – who also exports to international markets – we have an appreciation of what the breadth of changes mean for a range of industry participants. Many wine and spirits suppliers along with the growth in the popularity of asian beverages mean that these suppliers are often working across 100+ markets. In Australia alone, at any given time, industry participants are working to implement numerous regulatory changes at a Federal and State and Territory level. The current consultation on expansion of the container deposit scheme in New South Wales, South Australia and the Northern Territory to include spirits and wine is just one example which will require further labelling changes in due course.

Endeavour welcomes an opportunity to participate in round table discussions with FSANZ and industry participants to review the pipeline of changes industry is managing.