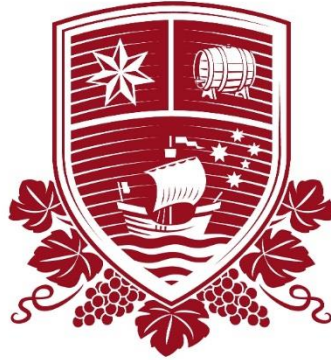


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TREASURY WINE ESTATES

Submission to the Food Standards Australia New Zealand (FSANZ) Proposal 1050 – Pregnancy warning labels on alcoholic beverages

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About Treasury Wine Estates

Treasury Wine Estates (TWE) is one of the world's largest wine companies, listed on the Australian Securities Exchange (ASX).

The company has a rich heritage and a portfolio of some of the most recognised and awarded wine brands in the world, including Penfolds, Pepperjack, Wynns, Beaulieu Vineyard, Beringer, Wolf Blass, 19 Crimes, Matua, Chateau St Jean, Sterling Vineyards, Gabbiano, Lindeman's, Rawson's Retreat and Blossom Hill. TWE is focused on portfolio premiumisation and brand-led marketing, with world-class production facilities in internationally recognised wine regions.

The company sources grapes from a mix of owned, leased and third-party vineyards. Employing approximately 3,500 winemakers, viticulturalists, sales, marketing, distribution and support staff across the globe, TWE's wine is sold in more than 100 countries around the world.

TWE is committed to the responsible consumption, marketing and sales of all of its products globally, including warning women who are pregnant, or planning a pregnancy, that not drinking is the safest option.

TWE is a member of DrinkWise Australia, Alcohol Beverages Australia (ABA) and Australian Grape and Wine Inc (AGW), all of which undertake initiatives aimed at warning women of the risks of drinking alcohol during pregnancy.

AGW has formed a partnership with DrinkWise that gives all Australian wineries access to DrinkWise campaign material at no cost to them, whether or not they are direct funding contributors to either DrinkWise or AGW (note: TWE is a direct funding contributor to DrinkWise). To help promote the message to the public, AGW has worked with DrinkWise toward a goal of 100% uptake of the pregnancy warning logos on all Australian wine products for retail sale.

The DrinkWise campaign is comprehensive with label messages supported by point-of-sale and other material. Both AGW and DrinkWise recognise that while warning labels increase awareness, in isolation they do not change behaviour.

The core campaign message encourages consumers to '*Get the Facts*' from the DrinkWise website. This message is used on labels in tandem with the internationally recognised '*pregnant lady*' pictogram, which is considered preferable to a simple text message.

Summary to call for submissions – Proposal P1050

TWE is fully supportive of pregnancy labelling and voluntarily does so on all products sold in the Australian and New Zealand markets.

Developed in conjunction with DrinkWise Australia, TWE supports the industry position that mandating the DrinkWise labelling scheme is the most effective way to achieve the primary objective of P1050.



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Furthermore, TWE sees no compelling evidence to suggest that the FSANZ proposal will provide any benefit above current industry initiatives and serve only to add confusion and cost.

TWE supports the ABA proposition and rationale that switching from the DrinkWise labelling scheme to the proposed label has the potential to cause significant unintended consequences for pregnant women and their unborn children.

TWE also submits that the three-week consultation period provided by FSANZ is insufficient for any meaningful dialogue, feedback and analysis. This leaves P1050 without adequate stakeholder input and therefore drawing conclusions that are potentially incorrect and without added benefit.

TWE supports the submissions made to P1050 by AGW, ABA and DrinkWise Australia to FSANZ Proposal 1050 and in addition provides the following commentary.

Literature review on the effectiveness of warning labels (section 3.1.1)

TWE acknowledges the literature review conducted by FSANZ on the effectiveness of warning labels and the work covered during the period November 2008 to July 2019.

We are however disappointed that FSANZ did not include studies specifically around pregnancy warning labels, their uptake, recognition in the marketplace and resulting change in behaviour. As a result, conclusions are drawn that are incorrect and without fully considering the added benefit compared to existing programs.

Comparisons with other warning labels such as cancer, while interesting, fail to acknowledge the more receptive and responsive actions from the population associated with pregnancy warning labels.

As such, it should be acknowledged that all the findings of the literature review cannot be fully applied to the FSANZ pregnancy label that has been proposed.

Consumer testing of warning statements (3.1.2)

TWE is greatly concerned about the use of the term '*Warning Statement*' used in all options during the public consultation. This is not in keeping with the directive given to FSANZ by the Ministerial Forum which asked for '*Pregnancy Warning*' labels to be developed.

Furthermore, as the literature review did not include market research on other signal words, including the existing voluntary DrinkWise Australia pregnancy warning label, then a baseline for the current situation and proposal to move to a '*Warning Statement*' has no justification.

Pictogram (section 3.2.2.2)

TWE agrees with research indicating the inclusion of a graphic helps makes labelling more noticeable and better understood.



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The pictogram design is commonly used in the voluntary labelling initiative across Australia and New Zealand has widespread recognition and proven results.

TWE would however caution against mandating a red label and the strike-through. A pregnancy label that instead provides a level of contrast is far more appropriate and, depending on label colour, would ultimately prove more effective.

It should be acknowledged that additional colour also adds cost to label design and TWE question the cost estimates suggested by FSANZ. With over 800 SKU's (stock keeping units) in TWE's portfolio any proposed changes need to be justified with real outcomes. TWE believes that existing guidelines are effective and leading to desired education and consumer behaviour.

Warning statement (section 3.2.2.3)

The proposal by FSANZ to include '*Any amount of alcohol can harm your baby*' in the pregnancy warning label is potentially confusing to pregnant women when coupled with the FSANZ recommendation that '*alcohol under 1.15% is safe.*'

Any warning statement needs to be better supported by clear and peer reviewed evidence. To date this is lacking.

Design labelling elements (section 3.2.2.4)

The directive from the Ministerial Forum to FSANZ was to develop a pregnancy warning label. The continued suggestion then to include the statement '*Health Warning*' goes well beyond what was asked and weakens the objective to educate pregnant women. We strongly suggest it be removed as a priority.

Design elements also require further consultation as contrast, while important, will be different depending on label design. FSANZ should also acknowledge the full cost to winemakers in updating label designs as current estimates are low.

Beverages to carry the pregnancy warning label (section 3.2.3)

TWE note the inconsistent language from FSANZ is suggesting that '*any amount of alcohol can harm your baby*' but then proposing that products with less than 1.15% ABV are not required to include a pregnancy warning label. TWE raises this not to have these products included but rather that further consultation is needed with industry to develop practical approaches and common language.

Consideration of costs and benefits (section 3.4.1.1. of CFS)

With over 800 SKU's in its portfolio, TWE has already highlighted the large cost involved in changing size, colour and design of labels. TWE maintains that there is no evidence to suggest that changes proposed above the current voluntary guidelines will have any significant impact. TWE would instead propose greater consultation with industry which mandates label requirements in keeping with current applications, coupled with greater support for awareness raising and educational initiatives.



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Other comments (within the scope of P1050)

TWE has voluntarily implemented pregnancy warnings labels and is working toward ensuring all its labels globally have a form of pregnancy warning (where local legislation allows). In Australia, TWE includes the '*pregnant lady*' pictogram on all of its labels, and has been actively encouraging other wine industry participants to do the same.

For most wines, labelling changes are made at regular intervals, including annual vintage year updates. Of course, label changes that are more substantial than a simple year change are more onerous and require redesign of labels and new plates for all SKUs.

TWE would like to note that not all of its wines on shelf today will include the '*pregnant lady*' pictogram, as some products were labelled before we commenced voluntary pregnancy warning labelling (in 2013-14). Given the long potential cellaring time for wine, and delayed releases for luxury products, these legacy labels may be in market for a number of years. However, these wines make up a very small volume of the total wine available for retail purchase, and as a result, TWE estimates that approximately 95% of our product currently in the market is labelled with the '*pregnant lady*' pictogram.

Finally, TWE would again raise our concern that the three-week consultation period is insufficient for all aspects of P1050 to be fully deliberated. While we acknowledge the need for P1050 to be considered expeditiously this should not come at the expense of genuine stakeholder engagement.

TWE stands ready to work with FSANZ, the Ministerial Forum and industry to develop mandated guidelines that are practical and achieve desired outcomes.