

Technical Assessment

Carbohydrate claims about food containing alcohol

Executive summary

On 24 November 2017, at the Australia and New Zealand Ministerial Forum on Food Regulation (the Forum) meeting, the Forum discussed sugar claims in relation to alcoholic beverages.

The communiqué from the November 2017 Forum meeting stated that *Forum Ministers are* aware of an increasing number of alcoholic beverages for sale in Australia and New Zealand with the claim they are '% sugar-free'. It also stated that *Forum Ministers are concerned that* these claims on alcoholic beverages are misleading and that alcohol is being promoted as a healthier choice for consumers when public health advice is to limit alcohol intake. Forum Ministers have 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.¹

FSANZ has undertaken a technical assessment to explore the matter as requested by the Forum with a view to determining whether variations or changes to the Australia New Zealand Food Standards Code (the Code) (via a proposal under the *Food Standards Australia New Zealand Act 1991*) are required.

The following key points are noted from the technical assessment:

- The prohibition for nutrition content claims about foods containing alcohol in Standard 1.2.7 was based on the policy guidance provided by Ministers, which includes the overarching principle of excluded categories of foods, such as alcohol from making claims.
- As an exception to that prohibition, permission for nutrition content claims about 'carbohydrate content' was provided mainly because there were claims about carbohydrate on alcoholic beverages in the market place at the time the standard was developed (in particular 'low carb' beers).
- There are currently a variety of alcoholic beverages for sale in Australia and New Zealand that carry nutrition content claims about sugar, some that carry claims about carbohydrate and some that carry claims about both.
- Ministers are concerned that sugar claims on alcoholic beverages are misleading and that alcohol is being promoted as a healthier choice for consumers when public health advice is to limit alcohol intake.
- Agencies responsible for enforcing the Code in Australia and New Zealand have reported that the Code is unclear about whether nutrition content claims about foods containing alcohol that refer directly to sugar are permitted under Standard 1.2.7.
- In relation to nutrition content claim conditions, carbohydrate and sugar are treated separately in the Code, with the definition of nutrition content claim referring to claims about both 'carbohydrate' and to 'components of carbohydrate' (which would include sugar). Conditions for sugar claims and for carbohydrate claims are listed separately in Schedule 4.
- Carbohydrate is defined in Standard 1.1.2 as available carbohydrate which must be calculated by direct summation or by difference. Both calculations would include total sugars as part of the available carbohydrate content of a food.
- No studies have been found which specifically examine the effects of sugar claims on consumers' perceptions of alcoholic beverages or on their behaviour. However, there is

¹ Food Regulation - Australia and New Zealand Ministerial Forum on Food Regulation Communiqué 24 November 2017

some evidence that consumers may make inappropriate assumptions about alcoholic beverages making nutrition content claims about carbohydrate. These assumptions relate to the energy content and the perceived healthiness of alcoholic beverages carrying claims. Based on the evidence considered to date, it is unclear whether a similar effect would be found for sugar claims.

• Internationally, claims about sugar/carbohydrate content in relation to alcoholic beverages are prohibited in the EU and Canada but permitted in the US.

Taking the above points into account, FSANZ considers that 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. However FSANZ also notes that to regulate claims about sugar differently to claims about 'carbohydrate' could be seen to be inconsistent, particularly in light of the available consumer evidence and the nature of claims currently in the marketplace.

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1. Introduction

1.1 Request from the Australia and New Zealand Ministerial Forum on Food Regulation

On 24 November 2017, at the Australia and New Zealand Ministerial Forum on Food Regulation (the Forum) meeting, the Forum discussed sugar claims in relation to alcoholic beverages.

The communiqué from the November 2017 Forum meeting stated that *Forum Ministers are* aware of an increasing number of alcoholic beverages for sale in Australia and New Zealand with the claim they are '% sugar-free'. It also stated that *Forum Ministers are concerned that* these claims on alcoholic beverages are misleading and that alcohol is being promoted as a healthier choice for consumers when public health advice is to limit alcohol intake. Forum Ministers have 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.²

FSANZ has undertaken a technical assessment to explore the matter as requested by the Forum with a view to determining whether variations or changes to the Australia New Zealand Food Standards Code (the Code) (via a proposal under the *Food Standards Australia New Zealand Act 1991*) are required.

The scope of this technical assessment was limited to permission for nutrition content claims about carbohydrate and its components including sugar, in respect to food containing more than 1.15% alcohol by volume. Claim conditions and permissions for other nutrition content claims or health claims about food containing alcohol were not within scope.

1.2 Current standard

Standard 1.2.7 – Nutrition, health and related claims currently prohibits foods containing more than 1.15% alcohol by volume (ABV) from making:

- 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
 (section 1.2.7—4).

These prohibitions apply to claims on labels and in advertisements.

The applicable section is as follows:

A *nutrition content claim or *health claim must not be made about:

- (a) kava; or
- (b) an infant formula product; or

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² Food Regulation - Australia and New Zealand Ministerial Forum on Food Regulation Communiqué 24 November

- (c) a food that contains more than 1.15% alcohol by volume, other than a *nutrition content claim about:
 - (i) energy content, carbohydrate content or gluten content; or
 - (ii) salt or sodium content about a food that is not a beverage.

The specific conditions for nutrition content claims about carbohydrate content (and energy, gluten and salt/sodium content) are set out in section 1.2.7—12 and Schedule 4 (Nutrition, health and related claims). In terms of claims about carbohydrate, the only specific conditions set are for 'reduced carbohydrate' claims. Other claims about carbohydrate, such as 'low carbohydrate', are permitted but there are no specific conditions in the Code for these claims.

Claims about the alcohol content of foods containing alcohol are not regulated as nutrition content claims. Conditions for low alcohol claims about alcoholic beverages are in Standard 2.7.1 – Labelling of alcoholic beverages and food containing alcohol.

Alcoholic beverages are exempt from the requirement to be labelled with a nutrition information panel under Standard 1.2.8 – Nutrition information requirements however if a nutrition content claim is made, a nutrition information panel must be provided (section 1.2.8—5).

2 Background

2.1 Introduction

Standard 1.2.7 was prepared via Proposal P293 – Nutrition, Health and Related Claims³ (P293). This proposal commenced in 2004 and included 6 rounds of public consultation in addition to numerous targeted consultations with a range of interested parties throughout the development of the Standard. In March 2008 the FSANZ Board approved the draft Standard, however the then Australia New Zealand Food Regulation Ministerial Council requested a review. Following completion of the review, the subsequent draft standard was approved by the FSANZ Board in October 2012 and gazetted in January 2013 with a three year transition period.

P293 was prepared and assessed according to the *Food Standards Australia New Zealand Act 1991* (FSANZ Act).

The objectives of P293 included to provide regulatory arrangements that enable industry to innovate, give consumers a wider range of healthy food choices; ensure food labels bearing nutrition, health or related claims provide adequate information to enable consumers to make informed choices; and prevent misleading or deceptive nutrition, health or related claims on food labels or in food advertising (P293 Final Assessment Report)⁴.

^{*}The definitions of nutrition content claim and health claim are provided in Appendix 1.

³ Proposal P293 – Nutrition, Health and Related Claims

⁴ P293 Final Assessment Report

2.2 Policy guidance

The FSANZ Act requires FSANZ when developing or varying food regulatory measures to have regard to a number of matters including any written policy guidelines formulated by the Forum.

In December 2003, the Forum (then the Australia and New Zealand Food Regulation Ministerial Council (Ministerial Council)) released the Policy Guideline on Nutrition, Health and Related Claims (Policy Guideline)⁵. The Policy Guideline includes the claim pre-requisite that 'the eligibility criteria, including qualifying and/or disqualifying criteria (and any excluded categories of foods, such as alcohol and infant foods) are complied with'.

Further, the Claims Classification Criteria section states 'Consideration should be given during the FSANZ standard development process for including the 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.'

Also the Regulatory Model section states 'The standard may also set outcategories of foods which may be excluded from making claims (e.g. alcohol and baby foods).'

Health claims and most nutrition content claims about foods containing alcohol were prohibited by Standard 1.2.7 at the time of gazettal in accordance with this policy guidance.

2.3 Historical approach during P293 assessment

Permission for nutrition content claims about foods containing alcohol was considered during the assessment of P293. Initially it was proposed that only claims about energy and alcohol content be permitted. This was later extended to also permit claims about carbohydrate content, in response to submitter comments. The development of this approach and the rationale that underpinned it is described below.

In 2004 FSANZ noted in the Initial Assessment Report (IAR)⁶ that 'criteria may need to be established regarding the eligibility of certain categories of foods for carrying claims (policy guideline specifies alcohol and baby food)' (Table 2, IAR) and asked submitters whether any foods should be prohibited from making content claims. The issue of carbohydrate claims on food containing alcohol was not raised by submitters to the IAR.

Following this, with reference to the policy guideline, it was proposed in the 2005 Draft Assessment Report (DAR), that only claims referring to energy content and/or alcohol content be permitted in relation to food containing alcohol.

However, FSANZ specifically discussed permission for claims about carbohydrate content in relation to foods containing alcohol in the 2007 Preliminary Final Assessment Report (PFAR)⁷ as a 'result of concern expressed by certain industry stakeholders about the restriction on making nutrition content claims on alcoholic beverages, in particular carbohydrate content claims' (section 3.2.3.2 of the PFAR). In particular, the Beer, Wine and

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⁵ Policy Guideline on Nutrition, Health and Related Claims

⁶ P293 - Initial Assessment Report

⁷ P293 – Preliminary Final Assessment Report

Spirits Council (BWSC, which represented the non-commercial interests of New Zealand's two leading drinks companies, Lion Nathan Limited and DB Breweries Limited) noted a beer imported from Australia that carried a carbohydrate claim. They suggested that rather than continue with a piece-meal approach to add permission for carbohydrate claims to the list of permitted nutrition content claims that should be allowed for alcoholic beverages.

An assessment of claims on alcoholic beverages available in the Australian and New Zealand markets in November 2006 found a number of 'low carbohydrate' claims on beer. FSANZ proposed in the PFAR that, in addition to permitted claims about alcohol and energy content, nutrition content claims about carbohydrate should also be permitted. It was noted that 'this permits carbohydrate claims and brands developed around those claims to remain in the market place and therefore there is no cost to industry (through the loss of existing claims) for products carrying carbohydrate claims.' It was also noted in the PFAR that this would provide greater opportunity for industry innovation and increase consumer choice.

With respect to the conditions for claims about foods containing alcohol, the PFAR stated that 'criteria for carbohydrate claims would not be prescribed because there are no relevant national guidelines or criteria for reduction in carbohydrate intake'. There was no mention of claims about components of carbohydrates such as sugar or conditions for claims about sugar content with regard to foods containing alcohol (conditions for sugar claims for other foods were included in the draft Standard at that time).

FSANZ reported in the 2008 Final Assessment Report (FAR)⁸ that some submitters to the PFAR did not support permission for carbohydrate claims in relation to foods containing alcohol, mainly because of the potential to mislead consumers given that many alcohol containing products naturally contain relatively small amounts of carbohydrate. The lack of criteria or national guidelines for determining carbohydrate claims was a concern for some submitters. Others were concerned that people with diabetes may interpret a low carbohydrate claim on alcohol as suitable for a diabetic diet, where this may not necessarily be the case. However, FSANZ noted that the use of voluntary energy and carbohydrate claims would trigger the requirement for a nutrition information panel on the alcohol product, thereby providing additional information about product composition to consumers and enforcement agencies. Regarding submitter concern about specific population groups such as diabetics being misled by carbohydrate claims on alcoholic beverages, FSANZ considered that this was better addressed through education rather than regulation.

In the FAR, the approach to energy and carbohydrate nutrition content claims on food containing alcohol was maintained, due to these claims being established in the market place (refer Attachment 4, P293 FAR⁸). Therefore, the Standard was drafted with the intent to permit claims about carbohydrate, however claims specifically about components of carbohydrates such as sugar were not mentioned in relation to foods containing alcohol.

In response to the review request from Ministers, in 2012, FSANZ prepared a Review Report for P293. The issue of energy and carbohydrate claims on food containing alcohol was not raised as issues requiring review and therefore were not discussed further. This issue was also not raised in two earlier consultation papers in 2007 and 2009.

2.3.1 Changes to claim permissions post gazettal of Standard 1.2.7

Since Standard 1.2.7 was gazetted, FSANZ has added permissions in relation to foods containing alcohol for nutrition content claims about gluten content, and about salt and

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⁸ P293 - Final Assessment Report

sodium content about food containing alcohol but not alcoholic beverages (subject to conditions in the Code for making these claims).

The amendment to permit claims about gluten content 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, for example, soy sauce (Proposal P1035 – Gluten claims about Foods containing Alcohol⁹).

The amendment to permit claims about salt/sodium content about food containing alcohol (not beverages) was to enable suppliers to continue to alert consumers to reduced or low sodium/salt varieties of these foods, which is supported by dietary guidelines (P1038 – Vitamin & Mineral Claims & Sodium Claims about Food containing Alcohol¹⁰).

3 Summary of the technical assessment

3.1 Issue

At the Forum meeting in November 2017 Ministers stated that they consider % sugar-free claims on alcoholic beverages are misleading which infers the policy intent and their expectation that these types of claims should not be permitted. However, agencies responsible for enforcing the Code in Australia and New Zealand report that the Code is unclear about whether nutrition content claims about food containing alcohol that refer directly to sugar, such as 'x% sugar free', are permitted under section 1.2.7—4. As outlined in section 1.2 above, section 1.2.7—4 of the Code prohibits nutrition content and health claims about food that contains more than 1.15% alcohol by volume, but permits claims about 'carbohydrate content'. Enforcement agencies are aware of claims about sugar content in relation to alcoholic beverages in the marketplace but consider that the Code does not provide enough clarity about whether these claims are permitted or not, to take enforcement action.

3.2 References to sugar and carbohydrate in the Code

Both sugar and carbohydrate are mentioned separately in the Code in various places, i.e. the term 'carbohydrate' is not used when the drafting specifically relates to sugar.

The definition of nutrition content claim in Standard 1.1.2 lists carbohydrate separately to the components of carbohydrates as follows:

'nutrition content claim means a claim that:



(i) the presence or absence of any of the following:

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(G) *carbohydrate;

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⁹ P1035 – Gluten Claims about Foods containing Alcohol

¹⁰ P1038 – Vitamin & Mineral Claims & Sodium Claims about Food containing Alcohol

(I) the components of any one of protein, carbohydrate or fat:...'

Only claims that meet the definition above are regulated as nutrition content claims by Standard 1.2.7. These claims must meet all applicable conditions in the Standard.

In Schedule 4 – Nutrition, health and related claims, conditions for claims about carbohydrate are listed separately to conditions for claims about sugar or sugars. Both of these listings include what are essentially the same conditions for reduced or light/lite claims.

Sugars is defined in Standard 1.1.2 and for the purposes of conditions for 'low sugar' and x% sugar free claims, it means monosaccharides and disaccharides.

Carbohydrate is defined in Schedule 1.1.2 as available carbohydrate which must be calculated by direct summation or by difference. Both calculations would include total sugars as part of the available carbohydrate content of a food.

Standard 1.2.8 – Nutrition information requirements, requires the average quantity of carbohydrate to be declared in the nutrition information panel, with the average quantity of sugars to be declared, indented below the entry for carbohydrate. The average quantity of carbohydrate would include any sugars present in the food, as it must be calculated in accordance with the methods outlined above.

3.3 Current market situation

FSANZ is aware that claims about sugar content are being made on a variety of alcoholic beverages in both Australia and New Zealand. The claims identified by FSANZ are outlined in Table 1. FSANZ does not have any information on the market share of these alcoholic beverages. Claims about carbohydrate content (e.g. low/reduced carbs) in relation to some alcoholic beverages were also identified, sometimes in addition to claims about sugar content on the same product.

Table 1: Sugar claims on alcoholic beverages for sale in Canberra and/or Wellington, identified by FSANZ in April 2018

| Alcoholic beverage type | Sugar claim |
|--------------------------------|--|
| Beer | 99% sugar free |
| | 99.8% sugar free |
| | 99.9% sugar free |
| | No carbs, no sugar, |
| Cider | Low sugar |
| | 60% less sugar |
| | 50% less sugar |
| | Lower sugar, 97% sugar free |
| | Low carb cider, 25% less sugar, 30% lower carb |
| | No added sugar |
| Ready to drink vodka | Zero sugar |
| | Sugar free |
| Ready to drink bourbon/whiskey | With zero sugar cola |
| Vodka | No added sugar |

FSANZ notes that the majority of kilojoules (energy) in beer, wine and spirits (unmixed) come from the alcohol content, rather than the sugar content. In contrast, sugar contributes more kilojoules than alcohol in many ready-to-drink products (RTDs) where alcohol is mixed with sugar-sweetened beverages¹¹.

3.4 Consumer research

This section considers how consumers may respond to sugar claims on alcoholic beverages. It uses findings from a recent FSANZ *Literature review on consumer knowledge, attitudes*

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¹¹ <u>Australian, Food, Supplement and Nutrient Database 2011-2013 (AUSNUT)</u>

and behaviours relating to sugars and food labelling¹² as well as a search by FSANZ for literature on consumer perceptions of alcohol and alcohol labelling.

3.4.1 Consumer perceptions of sugar in general

Consumers associate sugar consumption with negative health outcomes such as diabetes and poor dental outcomes (Patterson et al., 2012). Consumers also consider sugar to be 'fattening' and believe that it causes weight gain (International Food Information Council Foundation, 2017; Patterson et al., 2012; Timperio et al., 2003). As a result, many consumers report that they are trying to limit or reduce their sugar intake (International Food Information Council Foundation, 2016).

Consumers understand that sugar is a source of energy within food and beverage products (i.e. that it is a source of kilojoules) (Food Standards Agency, 2007; Watson et al., 2013). However, there is some evidence that they have a poor understanding of how much energy (in terms of kilojoules or calories) sugar contains relative to other substances such as fat, protein and alcohol (Patterson et al., 2012). In a ranking task conducted by Patterson et al. (2012), nearly one quarter of respondents believed sugar had the highest calorie content of eight substances¹³. On average sugar was rated more calorific than alcohol.

3.4.2 Consumer understanding of the nutritional properties of alcoholic beverages

Relatively little research has been conducted examining consumers' beliefs about the nutrient and energy content of alcoholic beverages (Grunert et al., 2018). The evidence identified by FSANZ in a search of the literature suggests that consumers' understanding of the nutrient and energy content of alcoholic beverages is poor (Bui et al., 2008; GfK Belgium, 2014; Wright et al., 2008). For example, one study found that consumers tended to overestimate (in some cases substantially) the calorie, fat, and carbohydrate content of light beer, regular beer, wine and distilled liquor (Bui et al., 2008). In addition, in one Australian study, a few 18-25 year old female focus group participants noted that the energy content of alcoholic beverages could be high and that weight gain was a potential consequence of alcohol consumption (The Social Research Centre, 2009).

FSANZ did not identify any studies that examined consumers' perceptions of the amount of sugar in different alcoholic beverages and how accurate this was. One study found that 61% of respondents under 30 years of age and 49% of respondents over 30 were aware that beer contained sugar (Wright et al., 2008). However, the study did not examine how *much* sugar the respondents believed the beer contained.

FSANZ has not identified any research which examines whether consumers understand that, for most alcoholic beverages, the greatest contributing factor to energy content is the amount of alcohol within the beverage. However, research conducted on behalf of Brewers of Europe found that only 30% of respondents were able to correctly identify spirits (e.g. whiskey, vodka, gin, rum) as the beverage with the greatest number of calories in a given volume. In addition, respondents tended to overestimate the energy content of alcohol-free beer, regular beer, white wine and red wine but underestimated the energy content of whiskey (a spirit).

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¹² Available at http://www.foodstandards.gov.au/publications/Pages/Literature-review-on-consumer-knowledge%2c-attitudes-and-behaviours-relating-to-sugars-and-food-labelling.aspx

¹³ The substances included in the ranking task were saturated fat, fat, sugar, alcohol, carbohydrates, protein, aspartame, and salt.

These findings show that consumers have some awareness that alcoholic beverages are high in energy. However, the fact that consumers do not understand that the most concentrated source of alcohol (spirits) has the most energy per 100ml suggests that consumers do not understand that it is the alcohol content itself (rather than carbohydrates or other macronutrients) in alcoholic beverages that is responsible for most of their energy content.

3.4.3 The effects of sugar claims on alcoholic beverages

3.4.3.1 Perceptions of energy (kilojoule) content of alcoholic beverages

FSANZ has not identified any research specifically examining the effects of sugar claims on consumers' perceptions of the energy content of alcoholic beverages. However, some previous research has examined the effects of low carbohydrate ('low carb') claims on consumers' perceptions of beer (VicHealth, 2010). This research, conducted among drinkers of low carb beers, found that 37% of respondents gave 'It has less kilojoules (calories)' as a reason they chose to drink low carb beer instead of other types of beer. Forty four per cent gave 'It's less fattening' as a reason for their choice. These results suggest consumers of low carb beers believe they contain significantly less kilojoules than other types of beer, even though the authors note there is little if any difference in their kilojoule contents (VicHealth, 2010).

Based on the evidence considered to date, it is unclear whether sugar claims have a similar effect on consumers' perceptions of the kilojoule content of alcoholic beverages.

3.4.3.2 Perceptions of the healthiness of alcoholic beverages

FSANZ has not identified any research specifically examining the effects of sugar claims on how healthy consumers perceive alcoholic beverages to be. The VicHealth (2010) research mentioned above examined the perceived healthiness of low carb beers as compared to other beer types. Seventy one per cent of low carb beer drinkers believed low carb beers were healthier than full-strength beers; 59% believed they were healthier than mid-strength beers; and 38% believed they were healthier than light beers (VicHealth, 2010). This is despite low carb beers containing the same level of alcohol as full-strength beers and a similar level of energy (VicHealth, 2010).

Among those who believed low carb beers were healthier than other types of beer, the most common reason given for this belief was 'it won't cause me to gain weight' (believed by approximately 50% of these respondents). In addition, when asked what their main reasons were for choosing low carb beer, the five most common reasons given were 'It's less bloating', 'It's less fattening', 'It has less kilojoules (calories)', 'It tastes better' and 'It's healthier'. These findings suggest that a 'low carb' claim may lead consumers to make inappropriate assumptions about the healthiness of beers carrying these claims relative to other alcoholic beverages.

Of particular concern was the 15% of low carb beer drinkers that said they drink *more* beer when consuming low carb beer than when consuming other beer types (VicHealth, 2010). When asked why they would drink more of low carb beer, 75% said because 'it has less kilojoules'. This suggests that the lower perceived kilojoule content of low carb beer and the perception that it is healthier than other beer types may increase alcohol consumption among some consumers. Based on the evidence considered to date, it is unclear whether a similar effect would be found for sugar claims.

3.4.4 Conclusion

As noted above, there is limited research on consumer understanding of the nutrient and energy content of alcoholic beverages. No studies have been found which specifically examine the effects of sugar claims on consumers' perceptions of alcoholic beverages or on their behaviour.

However, there is some evidence that consumers may make inappropriate assumptions about alcoholic beverages making nutrition content claims about carbohydrate. These assumptions relate to the energy content and the perceived healthiness of alcoholic beverages carrying claims. It is possible that claims about sugar on alcoholic beverages may have similar effects. However, further research which specifically examines sugar claims on alcoholic beverages would be needed to test whether this is the case.

3.5 International labelling permissions

3.5.1 Codex Alimentarius

The Codex Alimentarius Guidelines for Use of Nutrition and Health Claims¹⁴ (CAC/GL 23-1997) and the Codex General Guidelines on Claims¹⁵ (CAC/GL 1-1997) do not refer to claims about foods containing alcohol. At a meeting in October 2017, the Codex Committee on Food Labelling agreed to prepare a discussion paper to consider further work about standards for alcoholic beverage labelling, however this work is in the early stages and the scope has not yet been defined.¹⁶

3.5.2 **Canada**

The Canadian Food and Drug Regulations¹⁷ include labelling requirements and permissions for alcoholic beverages. Nutrient claims such as *sugar free*, *no added sugar*, *reduced sugar* and *lower sugar* are not permitted on alcoholic beverages with an alcohol content of more than 0.5% alcohol (section B.01.401.(2) of the Canadian Food and Drug Regulations). In addition, claims about carbohydrate such as *low carbohydrate* are not permitted on alcoholic beverages (carbohydrate claims are not listed in the table following section B.01.513 of the Canadian Food and Drug Regulations).

3.5.3 United States of America

In the United States of America (USA) the Alcohol and Tobacco Tax and Trade Bureau (TTB) enforces the provisions of the Federal Alcohol Administration Act¹⁸ (FAA Act which includes labelling of alcoholic beverages that fall under TTB Ruling 2004-1 ('malt beverages' regardless of alcohol content and liquors and wines containing 7% or more of alcohol by volume). Statements about energy and carbohydrate content on labels of wines, spirits and malt beverages are permitted as long as they are not misleading. *Low carbohydrate* claims

¹⁴ Codex Guidelines for Use of Nutrition and Health Claims

¹⁵ Codex General Guidelines on Claims

¹⁶ Report on the 44th session of the Codex Committee on Food Labelling

¹⁷ Canadian Food and Drug Regulations

¹⁸ <u>USA Federal Alcohol Administration Act</u>

are permitted provided certain conditions are met including that the standard serving size of the product contains no more than 7 g of carbohydrates. 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 not misleading and are accompanied by either a Servings Facts statement or a statement of the Average Analysis as set out in TTB Rulings 2013-2 and 2004-1, respectively. 19 Claims such as zero sugar, no sugar or sugar-free are permitted if the alcoholic beverage contains less than 0.5 g sugar per serving.

The labelling of food containing less than 7% alcohol by volume (other than beverages that meet the definition of 'malt beverage' under the FAA Act), is regulated under Title 21 (Food and Drugs)²⁰ of the Code of Federal Regulations. Certain 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. This means nutrient content claims about sugar such as *sugar-free* and *reduced sugar* on such beers are permitted provided specified conditions are met. *Percent sugar-free* claims and nutrient content claims about carbohydrate are not permitted under Title 21. The above labelling permissions also apply to ready-to-drink alcoholic beverages with less than 7% alcohol by volume.

3.5.4 European Union

The European Union Regulation 1924/2006²¹ (Article 4, clause 3) prohibits beverages with an alcohol content greater than 1.2% by volume from displaying health or nutrition claims. The only exceptions from this prohibition are for claims relating to the reduction in energy or alcohol content of the beverage.

4 Discussion and conclusion

The following key points are noted from the technical assessment outlined above:

- The prohibition for nutrition content claims about foods containing alcohol in Standard 1.2.7 was based on the policy guidance provided by Ministers, which includes the overarching principle of excluded categories of foods, such as alcohol from making claims.
- As an exception to that prohibition, permission for nutrition content claims about 'carbohydrate content' was provided mainly because there were claims about carbohydrate on alcoholic beverages in the market place at the time the standard was developed (in particular 'low carb' beers).
- There are currently a variety of alcoholic beverages for sale in Australia and New Zealand that carry nutrition content claims about sugar, some that carry claims about carbohydrate and some that carry claims about both.
- Ministers are concerned that sugar claims on alcoholic beverages are misleading and that alcohol is being promoted as a healthier choice for consumers when public health advice is to limit alcohol intake.

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¹⁹See TTB guidance for sugar content statements

²⁰ USA <u>Title 21 of the Code of Federal Regulations</u>

²¹ European Union Regulation 1924/2006 (Nutrition and Health Claims)

- Agencies responsible for enforcing the Code in Australia and New Zealand have reported that the Code is unclear about whether nutrition content claims about foods containing alcohol that refer directly to sugar are permitted under Standard 1.2.7.
- In relation to nutrition content claim conditions, carbohydrate and sugar are treated separately in the Code, with the definition of nutrition content claim referring to claims about both 'carbohydrate' and to 'components of carbohydrate' (which would include sugar). Conditions for sugar claims and for carbohydrate claims are listed separately in Schedule 4.
- Carbohydrate is defined in Schedule 1.1.2 as available carbohydrate which must be calculated by direct summation or by difference. Both calculations would include total sugars as part of the available carbohydrate content of a food.
- No studies have been found which specifically examine the effects of sugar claims on consumers' perceptions of alcoholic beverages or on their behaviour. However, there is some evidence that consumers may make inappropriate assumptions about alcoholic beverages making nutrition content claims about carbohydrate. These assumptions relate to the energy content and the perceived healthiness of alcoholic beverages carrying claims. Based on the evidence considered to date, it is unclear whether a similar effect would be found for sugar claims.
- Internationally, claims about sugar/carbohydrate content in relation to alcoholic beverages are prohibited in the EU and Canada but permitted in the US.

Taking the above points into account, FSANZ considers that 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. However FSANZ also notes that to regulate claims about sugar differently to claims about 'carbohydrate' could be seen to be inconsistent, particularly in light of the available consumer evidence and the nature of claims currently in the marketplace.

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Appendix

nutrition content claim means a claim that:

- (a) is about:
 - (i) the presence or absence of any of the following:
 - (A) *biologically active substance;
 - (B) *dietary fibre;
 - (C) energy;
 - (D) minerals;
 - (E) potassium;
 - (F) protein;
 - (G) *carbohydrate;
 - (H) *fat;
 - (I) the components of any one of protein, carbohydrate or fat;
 - (J) *salt;
 - (K) sodium;
 - (L) vitamins; or
 - (ii) *glycaemic index or glycaemic load; and
- (b) does not refer to the presence or absence of alcohol; and
- (c) is not a *health claim.

health claim means a claim which states, suggests or implies that a food or a property of food has, or may have, a health effect.