

SUBMISSION TEMPLATE

Policy options targeted consultation paper: *Pregnancy warning labels on packaged alcoholic beverages*

Overview

This submission template should be used to provide comments on the policy options targeted consultation paper: *Pregnancy warning labels on packaged alcoholic beverages*.

Contact Details

Name of Organisation: Brewers Guild of New Zealand

Name of Author: **Sabrina Kunz**

Phone Number: 0279291776

Email: sabrina@brewersguild.org.nz

Website: www.brewersguild.org.nz

Date of submission: 14 June 2018

If we require further information in relation to this submission, can we contact you? Yes
No

Privacy

Personal information provided to the Food Regulation Standing Committee (FRSC) as part of the *Pregnancy warning labels on alcoholic beverages* public consultation will be dealt with in accordance with the Privacy Act 1988 (Cth) at www.comlaw.gov.au and the Australian Privacy Principles at www.oaic.gov.au. The Department of Health's Privacy Policy is available at <http://www.health.gov.au/internet/main/publishing.nsf/Content/privacy-policy>.

Copyright and confidentiality

Copyright in an original submission resides with the copyright owner of that submission, but the act of making a submission will grant the Australian Government and the New Zealand Government a licence to use the submission for the purpose of making a summary of the submission for the website and for future policy or standard development work.

All submissions are subject to the *Freedom of Information Act 1982* in Australia and the *Official Information Act 1982* in New Zealand, along with relevant Freedom of Information legislation in each of the States and Territories.

If you consider that all or part of your submission should not be released, please make this clear when making your submission and indicate the grounds for withholding the information. Please provide two versions of the submission; one full version **with confidential information identified in red text**, and one with the confidential information removed.

A request made under the *Freedom of Information Act 1982* for access to a submission marked confidential will be determined in accordance with that Act.

Do you want this submission to be treated as confidential? Yes No

If yes, please state why: We do not currently have approval from the membership for it to be made public.

Submission Instructions

Submissions should be received by 5pm AEST on 14 June 2018. The Food Regulation Standing Committee reserves the right not to consider late submissions.

Please complete the attached template for your submission. Note that submissions may not be drawn upon in preparing the decision regulation impact statement (DRIS) to recommend a preferred policy option to the Australia and New Zealand Ministerial Forum on Food Regulation (the Forum) if they:

- are not supported by evidence;
- do not directly answer the questions in the Policy options targeted consultation paper; and/or
- do not use this template.

Please do not change the template.

Where possible, submissions should be lodged electronically. Please send your submission to: FoodRegulationSecretariat@health.gov.au with the title: *Submission in relation to pregnancy warning labels on packaged alcoholic beverages*.

OR mail to:

c/- MDP707
GPO Box 9848
Canberra ACT 2601

If you need to attach documents to support your submission, please make it clear which question/s they relate to.

Consultation questions

Please insert your comments against the consultation questions below. These questions correspond to specific sections of the Consultation Paper. If you cannot answer the question or it doesn't apply, please write "nil response" or "not applicable".

1: Are these appropriate estimates of the proportion of pregnant women that drink alcoholic beverages? Do you have any additional data to show changes in drinking patterns during pregnancy over time? Please specify if your answers relate to Australia or New Zealand.

Nil Response

2: Are these appropriate estimates of the prevalence and burden (including financial burden) of FASD in Australia and New Zealand? Please provide evidence to support your response.

Nil Response

3: Do you have evidence that the voluntary initiative to place pregnancy warning labels on packaged alcoholic beverages has resulted in changes to the prevalence of FASD, or pregnant women drinking alcohol, in Australia or New Zealand? Please provide evidence to justify your position.

Nil Response

4. Variation in labelling coverage and consistency, and some consumer misunderstanding associated with the current voluntary pregnancy warning labels in Australia and New Zealand were identified as reasons for possible regulatory or non-regulatory actions in relation to pregnancy warning labels on alcoholic beverages.

Are there any other issues with the current voluntary labelling scheme that justify regulatory or non-regulatory actions? Please provide evidence with your response.

- The Brewers Guild of New Zealand represents approximately 110 breweries in New Zealand. The majority of our members are small to medium enterprises that produce less than 500,000 litres of beer annually.
- Since at least 2015, the Brewers Guild has provided our members with a ‘How-To’ labelling guide that includes a recommendation that “All products and packaging are recommended to include a pregnancy advisory message”. And the ‘How-To’ labelling guide provides examples of both a written and logo advisory with a recommendation to adopt the logo advisory.
- It is our understanding that the majority of our members include some form of voluntary pregnancy advisory message.
- We are informed by our members that the visual design of labels is a critical factor for consumers when making purchase decisions. As such, each organisation designs its labels in accordance with what resonates with its individual customers. Accordingly, our members consider that having the ability to adapt the voluntary advisory message to best communicate with their particular customers is the most effective method to deliver the pregnancy advisory message to consumers – ensuring the advisory is seen and understood.

5: Has industry undertaken any evaluation on the voluntary pregnancy warning labels? If so, please provide information on the results from these evaluations.

Nil Response.

6: Considering the potential policy options to progress pregnancy labelling on alcoholic beverages and address the implementation issues:

a) Are there additional pros, cons, and risks associated with these options presented that have not been identified? Please provide evidence to support your response.

For both Options 1a) and 1b) the ‘Pros’ do not reflect that a the warning can be adapted to the particular consumers of a brand/organisation in a style and manner that resonates with that particular segment of consumers which increases the likelihood that the message will be both seen and understood.

For both Options 1c) and 2 the cost to industry will mostly impact small to medium enterprises. Our members have informed us that bottling labelling is purchased up to 12 months ahead of use and any specified labelling requirement changes would have a significant cost impact on those organisations.

b) Are there other potential policy options that could be implemented, and if so, what are the pros, cons and risks associated with these alternate approaches? Please provide evidence to support your response.

The Brewers Guild of New Zealand and our members continue to support the reasonable consumption of alcohol by informed adults. Our members consider that it is unlikely a woman would select an individual beer for consumption and learn from that beer, for the first time, that alcohol consumption is harmful to their baby. Our members consider that ongoing consumer education further up the decision making process (eg before an individual beer is held in hand) continues to be the most effective methodology for informing the public.

7: Which option offers the best opportunity to ensure that coverage of the pregnancy warning labelling is high across all types of packaged alcoholic beverages, the pregnancy warning labels are consistent with government recommendations and are seen and understood by the target audiences? Please justify your response.

Option 1(b) – Voluntary Self-Regulation is the most appropriate option. The Brewers Guild of NZ already recommends adoption of an advisory warning and will continue to do so. The Brewers Guild of NZ will use its platform to support the adoption and signatories to a Code of Practice. Adaptability of the warning allow tailoring to specific market segments ensuring the warning is both seen and understood. The implementation cost and time to both government and our members is reasonable and maintainable.

8: Do you support the use of a pictogram? If so, do you have views on what pictogram should be used (e.g. pregnant woman holding beer glass or wine glass), and also, what colour/s should be used, and why? Do you have any views on size, contrast, and position on the package? Please provide research or evidence to support your views.

The Brewers Guild of New Zealand currently recommends the following pictogram as an option:



We do not recommend size, colour, placement, position as our members consider that their ability to adapt the advisory to their specific consumers provides the most effective methodology of the warning being both seen and understood.

9: Do you support the use of warning text on a label? Why or why not? Do you have views on what text should be used, and if so, what is it? Do you support the use of warning messages already used in other markets? Please provide research or evidence to support your views.

10: Do you have views on what colour should be used for text, and whether green should be permitted? Do you have any views on size, contrast, and position on the package? Please provide research or evidence to support your views.

11: Should both the text and the pictogram be required on the label, or just one of the two options? Please justify your response.

Bottle labels and the creativity in design are a core contributor to a consumers decision making when selecting a beer. The label 'real estate' is an extremely important aspect of sales. The Guild supports voluntary advisory warning that is either text or pictogram – allowing our members to best tailor the advisory to their particular consumers.

12: Are you aware of any consumer research on understanding and interpretation of the current DrinkWise pictogram and/or text? What about other examples of pictogram and/or text?

Nil response.

13: Describe the value of pregnancy warning labels. Please provide evidence to support your views.

Nil response.

14: Which is the option that is likely to achieve the highest coverage, comprehension and consistency? Please provide evidence with your response.

Option 1(b) – Voluntary Self-Regulation is the most appropriate option. Adaptability of the warning allows for tailoring to specific market segments ensuring the warning is both seen and understood.

15: Which option is likely to achieve the objective of the greatest level of awareness amongst the target audiences about the need for pregnant women to not drink alcohol? What evidence supports your position?

Option 1(b) – Voluntary Self-Regulation is the most appropriate option. Adaptability of the warning allows for tailoring to specific market segments ensuring the warning is both seen and understood.

16: More information is required on the benefits of each of the regulatory options. Do you have any information on the benefits associated with each option in relation to social, economic or health impacts for individuals and the community? Please provide evidence with your response.

Nil Response.

17: To better predict cost to industry associated with each option, can you provide further information that could inform the cost to industry associated with each of these approaches, particularly costings from a New Zealand industry perspective? Please provide evidence to support your response.

Our members (predominately small to medium enterprises) advise that labels are purchased up to 12 months ahead of use and implementation costs of significant changes to existing labels would be substantial.

18: For Australia, is the estimated cost of \$340 AUD per SKU appropriate for the cost of the label changes? To what extent do these cost estimates capture the likely impacts on smaller producers? Should the cost estimates be adjusted upwards to capture disproportionate impacts on smaller producers?

Nil response.

19: Is the number of active SKUs used in the cost estimation appropriate? What proportion of SKUs on the market is from smaller producers?

The two largest producers in New Zealand represent over 82% of total volume of beer. However, it is not likely that this represents 82% of the total bottled beer products.

20: Should there be exemptions or other accommodations (such as longer transition periods) made for boutique or bespoke producers, to minimise the regulatory burden? If so, what exemptions or other accommodations do you suggest?

Yes – medium to small breweries should be given up to 2 years to sign on to the code of practice. This will allow our organisation sufficient time to update labelling guidelines, educate members and establish a methodology for monitoring uptake.

21: To better predict the proportion of products that would need to change their label to comply with any proposed change, information on the type of pictogram and text currently used is required. Do you have evidence of the proportion of alcohol products that are currently using the red pictogram, and what proportion of products are using an alternate pictogram (e.g. green)? Do you have evidence on the proportion of alcohol products that are currently using the beer glass pictogram, or the wine glass pictogram? Please specify which country (Australia or New Zealand) your evidence is based on.

Nil Reponse.

22: What would be the cost per year for the industry to self-regulate? Please justify your response with hours of time, and number of staff required. Please specify which country (Australia or New Zealand) your evidence is based on.

The Brewers Guild of New Zealand represents approximately 110 members in New Zealand. However, it is not clear precisely how many small breweries there are in total in New Zealand. Our records indicate that we are in contact with approximately 175 and the ANZ Craft Beer Report 2017 estimates 194 “craft” breweries in New Zealand.

It is only in 2018 the Brewers Guild have shifted from a volunteer run organisation to having a single full time resource. Membership of the Guild is voluntary. The Guild will continue to encourage members to support guidelines and any code of practice – it is not resourced to monitor uptake of those guidelines beyond self-declaration by members.

If Government were to determine that the Brewers Guild is the best vehicle to undertake monitoring/self-regulation on behalf of the industry (given we currently have the greatest reach in the industry) – direct funding by Government of the Guild would be required to do this. The precise resourcing requirements would need to be determined based on the level of research, in-field monitoring and level of detail required to be captured.

23: For each of the options proposed, would the industry pass the costs associated with labelling changes on to the consumer? Please specify which country (Australia or New Zealand) your evidence is based on.

In New Zealand it is likely that small to medium enterprises may not have the ability to pass the costs on to consumers if large producers do not also do so – as they need to remain competitive in the market place. This means that there will be a disproportionate impact of cost on the owners small to medium enterprises.

24: If you identified an alternate policy option in question 5, please provide estimates of the cost to industry associated with this approach.

25: Based on the information presented in this paper, which regulatory/non-regulatory policy option do you consider offers the highest net benefit? Please justify your response.

Option 1(b) – Voluntary Self-Regulation is the most appropriate option for all the reasons stated above.

