

# Submission from the Australian Chronic Disease Prevention Alliance into the consultation on the cost benefit analysis on energy labelling on alcoholic beverages

#### **Summary**

The Australian Chronic Disease Prevention Alliance (ACDPA) appreciates the opportunity to participate in the consultation process of the cost benefit analysis on energy labelling on alcoholic beverages. ACDPA is an alliance of five non-government health organisations who are working together in the primary prevention of chronic disease, with particular emphasis on the shared risk factors of poor nutrition, physical inactivity, overweight and obesity and their social determinants. The members of the ACDPA are Cancer Council Australia, Diabetes Australia, Kidney Health Australia, Heart Foundation and the National Stroke Foundation. ACDPA aims to develop evidence-based recommendations and initiatives that will contribute to the prevention of chronic disease and to provide leadership and a strong unified advocacy voice for the prevention of chronic disease.

The introduction of energy labels on alcohol products has the potential to improve community awareness of the harms associated with alcoholic beverages and is a way to educate the community on healthier alcohol consumption patterns. Placing nutrition information on alcoholic drink containers targets the appropriate audience (the drinker) at an appropriate time (when purchasing and using the product).

ACDPA recommends that energy labels are introduced on alcohol containers to assist in educating the public on the impact of alcohol on the overall energy balance of the diet. Considering the high levels of overweight and obesity in Australia, any reductions in energy intake at the population level is likely to result in health benefits and subsequent reductions in health care costs, and therefore our organisations recommend that energy labelling of alcohol is adopted.

#### **General comments**

The current inclusion of text and graphical information on labels about the percentage alcohol volume and number of standard drinks is vitally important to inform consumers about the content of alcohol in a product and assist them in their drinking decisions and their behaviours when drinking (e.g. whether to drive a motor vehicle after drinking). However, because this labelling does not inform consumers about the energy contained in a product, i.e. its kilojoule content, consumers are not fully informed about all of the potential nutritional consequences from drinking.

Research has shown there is strong community support for ingredient and nutrition labelling of alcoholic beverages.<sup>1;2</sup> Labelling alcoholic beverages is likely to be a publicly acceptable intervention, as consumers have a right to information when making any purchasing decision. There does not seem to be any clear reason for omitting energy information from alcohol products when it is required on all other food and beverage products that make substantial contributions to energy consumption at a population level.

There is little in the way of public communication to counter the heavy investment by the Australian alcohol industry in advertisements that make alcohol products appear highly attractive and risk-free.<sup>3</sup> More informative and persuasive product labelling has been nominated as an important counter-measure to this ubiquitous and potentially misleading messaging.<sup>4</sup>

In addition to ACDPA's support for the introduction of energy labels on alcohol products, there are several recommendations that should be considered by FSANZ before implementation occurs.

#### Recommendations:

- 1. Energy labels on alcohol products must comply with the legibility requirements set out in Standard 1.2.9 of the *Australia and New Zealand Food Standards Code*.
- 2. Alcohol products are subject to the same requirements as food products for making nutrition content claims as outlined in the *Australia and New Zealand Food Standards Code*, and as such require the listing of the nutrient the claim is referring to on the nutrition information panel.
- 3. The reference statement "An average adult's daily energy intake is 8700kJ" is included on alcohol product labels as a reference point for consumers, as it has been in the fast food sector.
- 4. A public education campaign is implemented alongside the introduction of energy labels on alcoholic beverages to ensure the public knows how to utilise them.
- 5. Alcohol warning labels are introduced to educate the public about the harms associated with alcohol consumption.

#### Question 1: What impact would such labelling have on alcohol consumption (if any)?

Any effects of energy labelling of alcohol products will be dependent on whether the information is clearly visible and presented in a fashion readily understandable by consumers. Labels must be large enough to be legible, and follow the same requirements set out in Standard 1.2.9 of the *Australia and New Zealand Food Standards Code* for labelling of food products.<sup>5</sup>

**Recommendation:** Energy labels on alcohol products must comply with the legibility requirements set out in Standard 1.2.9 of the *Australia and New Zealand Food Standards Code* 

#### (a) Reduction in total alcoholic consumption

Currently there are no countries that have introduced energy labelling on alcohol products, therefore evidence of changes in consumption as a result of energy labelling are unknown. However, consumers who already read and notice food labels and use the nutrition information panel (NIP) to make purchasing or consumption decisions are likely to do so with alcohol products. This will provide consumers who are health-conscious, those with health conditions or those trying to manage their weight, with timely and relevant information to assist them to reduce their consumption and therefore energy intake.

#### (b) <u>Switching consumption between alcoholic products</u>

It is difficult to anticipate possible switching between alcohol products if a NIP was added to alcohol labels, but it can be reasonably expected that there would be some switching as consumers would be better informed to choose lower kilojoule products.

Apart from the health benefits of reduced alcohol consumption and reduced kilojoule intake, product reformulation to reduce the amount of energy in beverages may occur. This may have the flow-on effect of reducing kilojoule consumption by the population, as well as stimulating innovation within the industry. This will be important in achieving a fair marketplace and a healthy food supply.

### (c) Any other marked effects (change in consumption patterns, demographic make-up of different alcoholic beverage types etc.)

It is likely that those who are already using food labelling will use energy labelling if it is implemented on alcohol products, potentially reducing their consumption due to the provision of the additional information. However changes in consumption patterns and alcohol choices are difficult to anticipate as there have been no studies conducted on this to date.

#### (d) Other impacts

#### Nutrition content claims

Currently, some alcohol products carry nutrition content claims, as defined in the *Australia* and *New Zealand Food Standards Code*, such as 'low carbohydrate' on certain beers and 'low calorie' on pre-mixed drinks and lower-alcohol wines. Some of these claims are potentially misleading, for example most regular beers are relatively low in carbohydrates, therefore the claim that some are especially 'low carb' is ambiguous and confusing, particularly as the more significant source of kilojoules in beer is the alcohol not the carbohydrates.

It is recommended that alcohol products are covered by the same requirements as food products for making nutrition content claims in the *Australia and New Zealand Food Standards Code*, and as such require the listing of the nutrient the claim is referring to on the NIP.<sup>7</sup>

**Recommendation:** Alcohol products are subject to the same requirements as food products for making nutrition content claims as outlined in the *Australia and New Zealand Food Standards Code*, and as such require the listing of the nutrient the claim is referring to on the NIP

### **Question 2:** What evidence is there of energy/nutrient labelling in general changing consumer behaviour?

Many consumers seek out NIPs on food products, and use these to make purchasing decisions. The use of NIPs are also linked to healthier diets. Further, there is some evidence from energy labelling in fast food settings that it facilitates lower energy purchases. This is a potential benefit of energy labelling on alcohol products.

As previously mentioned, the introduction of energy labelling on alcohol products provides the potential for industry reformulation to gain competitive advantage and reduce adverse product comparisons. Changes at the food supply level have more potential for large-scale effects compared to efforts to educate consumers, but both are worthwhile and appropriate strategies to implement to ensure a fair marketplace for consumers and an even playing field among alcohol producers.

### **Question 3:** What evidence is there on the relationship between alcohol consumed and weight related conditions/impact on health?

Alcohol is high in energy (29kJ/g) but low in nutritional value, and this is exacerbated if it is added to sugary mixers. Research shows that a higher intake of alcohol is associated with a higher Body Mass Index (BMI).<sup>13</sup> This increase has been shown regardless of the type of alcohol consumed.<sup>13</sup> Further, research seems to suggest that most alcohol consumption is in addition to usual daily intake.<sup>14</sup> Should this additional intake of energy from alcohol be regular and the drinker not be compensating with additional physical activity, this additional intake is likely to result in weight gain.

Aside from weight gain, which in itself is a risk factor for many chronic diseases, there is strong evidence that alcohol consumption is a risk factor for cancer<sup>15</sup> and has been linked to other chronic diseases such as heart disease and stroke.<sup>16</sup> Alcohol misuse and abuse also contributes to social and mental health problems, accidents and assaults.<sup>16</sup> Although there is some evidence alcohol consumption at low levels may protect against heart disease, the burden of disease from alcohol consumption far outweighs any preventive effect,<sup>16</sup> and the Heart Foundation recommends that people should not consume alcohol to prevent or treat cardiovascular disease.<sup>17</sup>

#### **Question 4:** What evidence is there on the impacts/intake for different groups?

Pre-existing health issues and weight management

Certain population segments, such as those who are monitoring their weight or trying to lose weight, or those with diagnosed health problems, are more likely to use nutrition information than the general population. Reductions in alcohol consumption as a result of energy labelling are more likely to occur within these groups as they are more likely to use the energy labels to make consumption decisions.

## **Question 5:** What evidence is there of alcohol product labelling changing consumer behaviour?

Alcohol warning statements have been in place in the US since 1989, and numerous other countries have also introduced warnings in recent years. There is evidence that the labels have been effective in stimulating discussions about the adverse effects of excessive alcohol consumption, and had small effects on consumption.

Research has shown that consumers are generally unable to estimate the amount of energy in alcoholic beverages. <sup>19</sup> Provision of energy information allows consumers to identify the energy contents of beverages and compare them more accurately. <sup>19</sup> This may also allow them to make purchase decisions based on these energy values, which may prompt them to choose lower-energy products.

Adding a NIP on alcoholic beverages could have an effect on alcohol consumption in a number of ways:

- Inform consumers about how much alcohol contributes to their daily energy intake, thereby motivating them to reduce their alcohol intake to stay within the recommended dietary guidelines.<sup>6</sup>
- Assist consumers with weight, dietary and other health issues to make better informed drinking decisions.<sup>6</sup>
- Dispel misunderstandings and myths that certain alcoholic drinks are 'less fattening' or 'healthier' than others.
- Complement public health messages to consumers about low-risk drinking (i.e. no more than 2 standard drinks per day on average over the lifetime<sup>20</sup>). This could lead to a reduction in occasions of risky drinking and also reduce overall per capita alcohol consumption.

In addition to the NIP (i.e. serving sizes and kilojoule levels), consideration could be given to including information on the number of standard drinks within the NIP, so that all the health-related information is available in one place.

Finally, to provide consumers with a reference point, alcohol product labels should include the reference statement to an adult's daily kilojoule intake, such as has been implemented in menu labelling legislation in fast food chains.<sup>21</sup> This will allow consumers to determine how alcoholic beverages contribute to their daily intake, in the context of the rest of their diet.

**Recommendation:** The reference statement "An average adult's daily energy intake is 8700kJ" in included on alcohol product labels as a reference point for consumers, as it has been in the fast food sector.

Question 6: What evidence is there of the strength of labelling characteristics in driving consumer change (e.g. nutrition panel or traffic light labelling, supplementary information/awareness campaigns)?

Nutrition information panels on food products have been shown to be cost-effective public health interventions with significant reach. They assist consumers in making informed purchase decisions. However, NIPs are most effective for the most motivated and literate consumers.

Interpretive front-of-pack labelling is more comprehensible and useful for a much larger proportion of the population. Front-of-pack labelling has been shown to enable consumers to identify healthier choices. Front-of-pack labelling does not require consumers to read the nutrition information panel, which can assist shoppers in making healthier decisions by providing at-a-glance information. However, currently there is no evidence of effectiveness in purchasing behaviours, and it is not recommended that alcohol labels carry front-of-pack labels.

Finally, the introduction of mandatory energy labelling in fast food chains in NSW has resulted in modest reductions in energy purchases. This complements overseas research that found that fast food chains reformulated their menus post-implementation of menu labelling of energy. Both the reformulation and the reduced consumption of products labelled with energy values are potential positive effects of energy labelling of alcohol products.

No labelling initiative is likely to be effective if it is implemented in isolation, therefore public education to assist consumers to effectively use the nutrition labelling is recommended. Further, expansion of alcohol labelling to include warning statements is likely to increase effectiveness.

**Recommendation:** A public education campaign is implemented alongside the introduction of energy labels on alcoholic beverages to ensure the public knows how to utilise them.

**Recommendation:** Alcohol warning labels are introduced to educate the public about the harms associated with alcohol consumption.

**Question 7:** Please advise on the type and size of other categories of cost and benefits that may arise from introduction of such a labelling requirement.

Other costs and benefits are likely to arise from the implementation of energy labels on alcoholic products, such as marketplace equity, consumer rights, and product reformulation.

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