10 March 2020

<name>

<address>

By email: <email>

**RE: Proposal P1050 Pregnancy warning labels on alcoholic beverages**

Dear

The Independent Brewers Association (IBA) is the peak national industry body representing Australia’s 600+ independent brewers.

Currently, independent brewers account for 6% per cent of Australia’s beer production by volume but employ 47% of all workers in the Australian beer industry. This amounts to over 3,000 people being directly employed and supporting an additional 25,000 jobs in agriculture, manufacturing, logistics, hospitality and other services.

These jobs and businesses are being threatened by the proposal from Food Standards Australia & New Zealand’s (FSANZ) contained in FSANZ Proposal P1050 - Pregnancy warning labels on alcoholic beverages which, if implemented, will have a disproportionally high impact on independent brewers.

From the outset let me assure you of our industry’s absolute commitment to mandatory pregnancy warning labels and the importance of industry and government working together to tackle FASD.

However, we are deeply concerned that the suggested implementation of the Proposal may impose unwarranted costs of more than $100m to the independent brewing industry alone with a further $300m of cost for the other sectors of the Australian alcoholic beverage industry. Independent brewers will be disproportionally hit by the recommendations due to the large number of seasonal and one-off releases done by small brewers compared to large brewers.

These recommendations, if implemented, will result in consumers carrying a high cost for no significant improvement in health outcomes.

**Specific Issues with the FSANZ proposal**

1. **Requirement for specific colours to be used**

FSANZ’s insistence to mandate that the label contain red, black and white, rather than adopting sensible colour contrast guidelines, will come at significant, unreasonable cost to consumers. The Independent Brewers Association (IBA) puts the impost on small brewers and our customers at $100 million over 10 years.

Many small producers use two-colour printing processes for their labels. The addition of red, white and black along with the size of the warning will require an increase in label size and higher printing costs not just once, but forevermore on every label, package and carton produced.

The mandatory colour approach is a significant departure from the prevailing Food Standards Code, where contrasting colours are entrenched. This mandating of colours would set a precedent that is unwarranted and unproven.

The General Legibility Requirements set out in Standard 1.2.4-24 are as follows:

*“If this Code requires a word, statement, expression or design to be contained, written or set out on a label—any words must be in English and any word, statement, expression or design must, wherever occurring:*

1. *be legible; and*
2. *be prominent so as to contrast distinctly with the background of the label.”*

There are no further requirements with regard to colour anywhere in the Food Code.

Even in the case of the mandatory warning statements in the Food Standards Code, there are no requirements around colour beyond the requirement for contrast.

For all other mandatory or regulated information on all other food products, the requirements for legibility, prominence and contrast have been sufficient.

1. **Use of inappropriate signal words**

Further, the inconsistencies within the FSANZ process have been striking, with the FSANZ recommendations jumping the gun on NHMRC advice, the use of the signal words HEALTH WARNING are an over-reach by FSANZ and FSANZ’s failing to market test the final wording in the warning statement, despite undertaking to do so.

The words “HEALTH WARNING” should not appear on the warning label as this sends a strong message to the entire population that the product could harm their health. This warning has the capacity to damage the brand of independent beer (and indeed the entire Australian alcohol industry) at a time when the industry is seeking to create export markets for its products.

The words “PREGNANCY WARNING”, along with the other words and the pictogram provides very clear, and unambiguous direction that women should not drink while pregnant. Including the word “HEALTH” is extreme and inappropriate for the majority of the population and we recommend using “PREGNANCY WARNING”.

1. **Requirement to label outer packaging**

The proposal further requires that outer packaging also carry the health warning. This will significantly increase costs with no real benefit as shipping cartons are generally not displayed as floor stock and are usually not visible to customers. Many outer shipping cartons are printed in single colours and will require expensive separate stickering to achieve the recommendations. It is important to note that these are not one-time costs, but costs that will persist forever with no meaningful benefit.

In addition, some carriers are simply clips which bind the retail product together into a six-pack or four-pack and do not physically have the area to affix a warning label. In spite of the however these carriers would be captured by the proposal requirements and would require a costly work-around.

Our recommendation is that outer packaging be removed from the proposal as it adds cost without any benefit.

**Our request**

We are asking Ministers to request FSANZ to review its Approval report on the basis that it places an unreasonable cost burden to industry and consumers, and present glaring inconsistencies from FSANZ original scope. We ask that in requesting the review that Ministers provide specific directions to FSANZ that:

1. There should not be mandated colours, but colour contrast guidelines. Importantly, having colour contrast guidelines, rather than mandated colours will significantly reduce the unreasonable cost burden on industry and consumers, particularly for small or craft brewers.
2. The signal words “HEALTH WARNING” be replaced BY “PREGNANCY WARNING”.
3. The requirement for outer packaging and carriers to be removed.

We request the opportunity to urgently meet with you to detail our concerns and to discuss our proposed solutions, which will save consumers money without compromising the effectiveness of the pregnancy warning label.

Yours sincerely,



Peter Philip

Chairman, Independent Brewers Association

Tel: 0416 101 265